

**2009/10**

# Annual Report



**Beaufort West  
Municipality**

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## EXECUTIVE MAYOR'S FOREWORD

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In presenting this Annual Report of the Beaufort-Wes Municipality, we will account for the work that was done for the period under review. This report will also highlight our achievements and reflect on the challenges facing our communities.

We have constantly worked towards displaying a high standard of professional ethics and the provision of basic services, impartially, fairly, equitably and without bias. Accountability and transparency was our cornerstone during this period.

With a budget that made it nearly impossible to cope, we have also cater for the indigent but also advocating the importance of the payment for services rendered. Unemployment in our communities was one of our greatest challenges; in such a way that local government has to become a job creator even if it was on a temporary scale. Our main focus was to support the Government Expanded Public Works Programme in order to get more job opportunities for our people.

Great effort has been put in to attract investors to grow the local economy. Our believe then is to do the best with what we have but also seek ways to curb unemployment, that at the end of the day will provide the much needed cash and skills to make our communities less dependent on government grants. This will also ensure that more residents will be able to pay for their services thus making it possible for the municipality to provide better basic services.

The role of our Municipal Manager with his staff in running the municipality in such a professional manner are much appreciated. I also like to thank every councilor for their committed efforts in ensuring the smooth running of the municipality. Every taxpayer who steadfastly paid their dues to the municipality made our work much more easier and are complemented therefore.

We are aware of all that is not well in our municipality, but still belief that with the political will and full cooperation of our administration we still can do better.

**J van Wyk**

**Executive Mayor**

## MUNICIPAL MANAGER'S FOREWORD

---

The year under review has been another year full of progress and yet presented us with a variety of challenges.

The people residing in Beaufort West municipality need hope. They want local government to lead. Our people want government, business, labour and social organisations to work together to create a better economic future. Our people want to be energised so they can take initiative to improve their own lives and communities. People want action on jobs, growth and poverty.

The period under review challenged us to look for different answers and solutions. We have used our own resources, the equitable share and conditional grants to extend the provision of infrastructure.

The provision of infrastructure is becoming more difficult and costly. The revenue generation and collection from services provided by the municipality have not been optional in order to enable reinvestment in operations and maintenance. The skills shortage or inappropriate recruitment of skills has been placing a huge pressure on our service delivery capacity.

There is an urgent need to focus on the governance and decision making and financial management to deal with budgeting, tariff setting, revenue collection, customer services, operations and maintenance planning and infrastructure asset management.

Due to good financial management and good internal control and accountability we were able to obtain an unqualified opinion from the Auditor General for the 3<sup>rd</sup> financial year in a row. The relationship between financial management and financial viability remain a challenging factor and the focus on the next financial year will be on maintaining a balance between financial management and viability. The focus on financial viability will be on revenue enhancement including debt management.

This annual report outlines the details of the various programmes managed by the municipality and how we have performed towards meeting the specific annual targets we have set. We firmly believe that we have made significant progress towards achieving our strategic goals.

And as we rightly enjoy and take pride in this achievement, we know that we must extend the same extraordinary efforts to addressing our critical social and economic challenges:-

- We will be ambitious yet realistic,
- We will be bold yet pragmatic,
- We will be creative and inventive, yet we will build on sound, secure foundations.

We know the resources that we have at our disposal belong to the people. If we do not use these wisely and sensibly, our contract with the people is eroded.

We also realize that none of us can rest or sleep peacefully until every Beaufort Wester can say:-

*'I can see a better future. I can find a job. I can learn a skill. Hard work will enable me and my family to have shelter and food. If my children work hard at school and college, they will have a better future and a thousand opportunities.'*

Beaufort West Municipality's success could widely be attributed to the contribution and harmonisation between the politicians and administration in ensuring that all systems flourish.

It is indeed an honour to present this report to you. Allow me to congratulate the devoted citizens, councillors, officials and all the stakeholders for their continuing support during the year.

In closing, I would like to sincerely express my gratitude to the dedicated employees of Beaufort West Municipality who continue to provide quality services to our residents. Without them, the achievements mentioned above could not have been accomplished. We are also very fortunate to have a much skilled and committed group of directors who are doing their best, under difficult circumstances, to help our workforce to optimise their output.

I must, however, acknowledge the Executive Mayor for her commitment to our vision of making Beaufort West a place of opportunity to all its citizens. I remain confident that if our municipality continues to work closely with all community partners and residents then the year 2010/2011 will even be more successful than 2009/2010.

**J Booysen**

**Municipal Manager**

# CHAPTER 1

## MUNICIPAL OVERVIEW



## CHAPTER 1: INTRODUCTION AND MUNICIPAL OVERVIEW

### 1.1 MUNICIPAL OVERVIEW

This report addresses the performance of the Beaufort West Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2009/10 Annual Report reflects on the performance of the Beaufort West Municipality for the period 1 July 2009 to 30 June 2010. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

#### 1.1.1 VISION AND MISSION



**Figure 1: Beaufort West Vision and Mission**

### 1.1.2 DEMOGRAPHIC INFORMATION

#### A) MUNICIPAL GEOGRAPHICAL INFORMATION

Beaufort West is the economic, political and administrative heart of the Central Karoo. Located about 460 km north east of Cape Town, the town was founded on the farm Hooivlakte in 1818. The municipal area covers 16 330.10 km<sup>2</sup> and include the areas of Beaufort West, Droërivier, Hillcrest, Letjiesbos, Merweville, Nelspoort, Renosterkop, Restvale, Rosedene, Wiegnaarspoort

Beaufort West was originally established as a service centre for rail- and road transport and to a lesser degree for rural agriculture. The historical *raison d'être* for the town's existence is, however, the railways. It is reported that during the 1970's and 80's, 90% of the towns economically active people were employed by the railways. Even though both rail transport and agriculture are in decline in terms of economic opportunities, the town has managed to maintain a minimal level of growth due to the high volume of passing road traffic. The National Road from Cape Town to Johannesburg (N1) bisects the town, and is still responsible for generating a significant portion of the town's income. The town has all the features of a modern town: shopping centres, a magistrate's court, Internet Cafes, hotels, medical facilities, and restaurants and all the other amenities and services usually found in modern towns around the world.

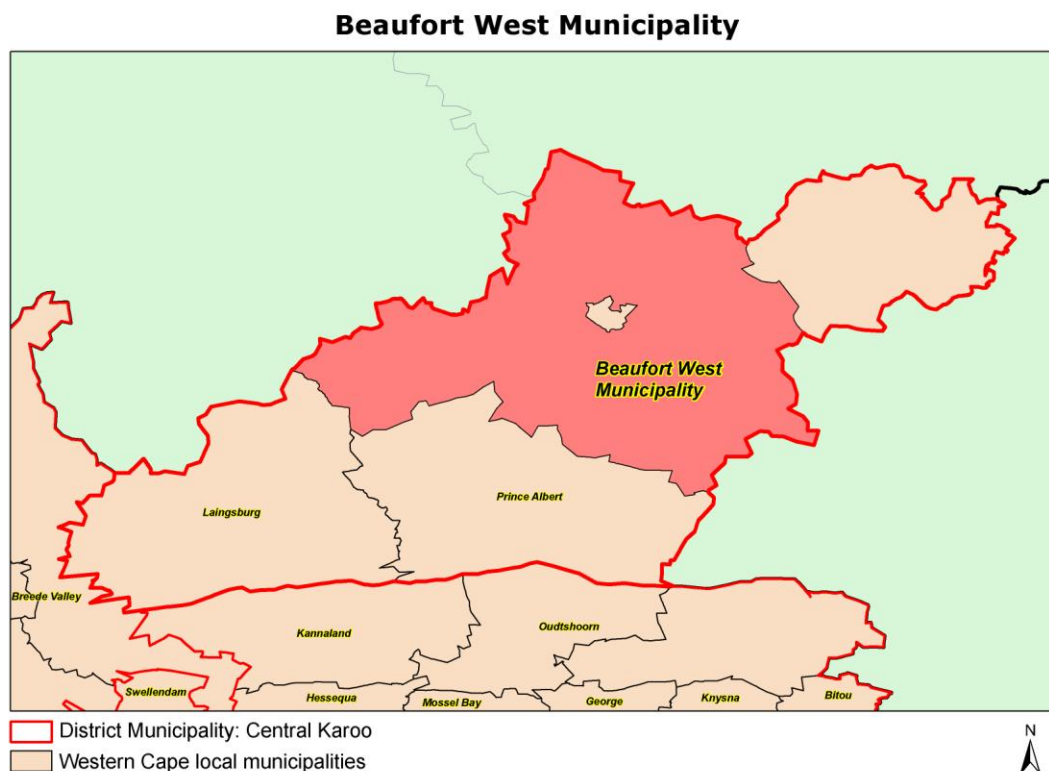
#### Wards

The Municipality is currently structured into the following 7 Wards:

WARD	AREAS
1	Hillside, central town, Hospital hill, Noord Einde
2	Nelspoort and Mervewille
3	Essopville, Toekomrus, Barrake, Hillside 2
4	Kwa Mandlenkosi, De Lande
5	Rustdene, New Lands, New Town, Hooyvlakte, Paddavlei
6	Rustdene, Prince Valley
7	Kwa Mandlenkosi , Rustdene

**Table 1: Municipal Wards**

Below is a two map of the Western Cape that indicates the location of the Municipality in the Central Karoo District area:



**Figure 2: Western Cape Area map**

There are a total number of 8 690 households in Beaufort West. 82,2% of the population live in urban areas with remaining 17,8% living in rural areas. Between 2001 and 2006 the Beaufort West population increased from 34 999 to 37 598, equal to an annual average of 1,4%. The provincial treasury projects in its socio economic profile (2006) that the population growth will slow down to 0,1 % between 2006 and 2010.

For Africans, the only year that showed migration into the area was in 2001, when 227 Africans migrated to the region. From 2002 onwards Africans recorded net out-migration. It is projected that Africans will continue to out migrate until 2025. On the other hand there has been a significant in-migration of coloureds (1 681) in 2001. It is also anticipated that in-migration of coloureds to Beaufort West will continue until 2016. For the white population grouping it is shown that, since 2001, they have been out-migrating from Beaufort West Municipality. This picture may change given the prospects of future economic development, uranium mining in particular.



## B) POPULATION

The municipality is estimated to account for 60% or 37 598 of the Central Karoo District's population (63 000).

### a) Total Population

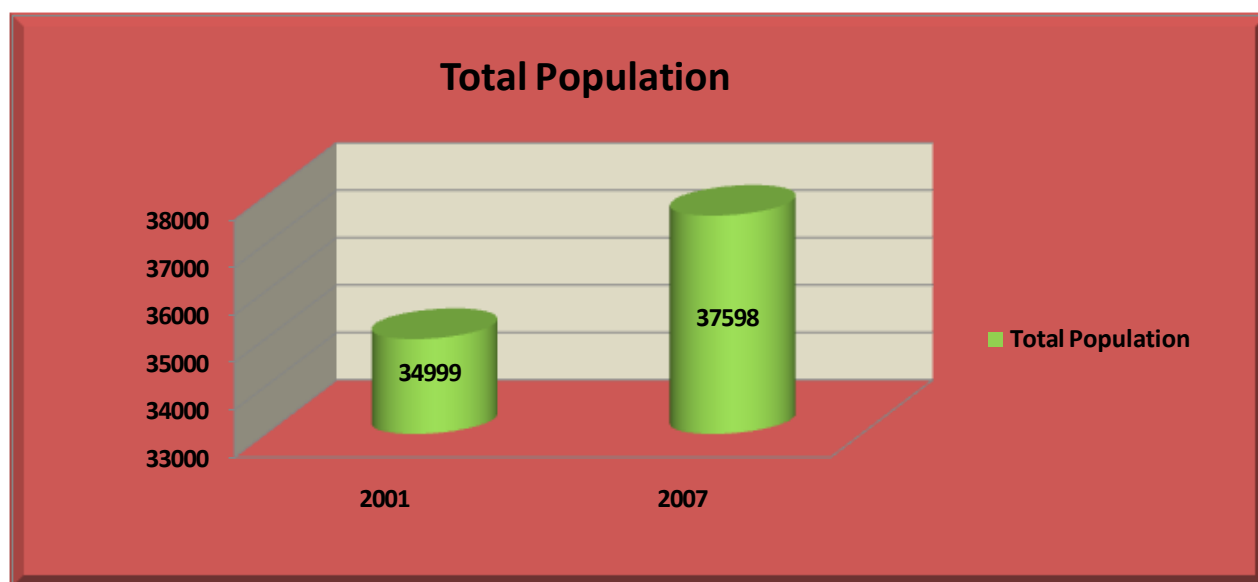
The table below indicates the total population within the municipal area:

2001	2007	% Population Growth
34 999	37 598	6.91%

*Table 2: Demographic information of the municipal area – Total population*

The population growth between 2001 and 2007 financial year was 6.91.

**The graph below illustrate the population growth for the municipal area between 2001 and 2007.**



*Graph 1: Total Population Growth*

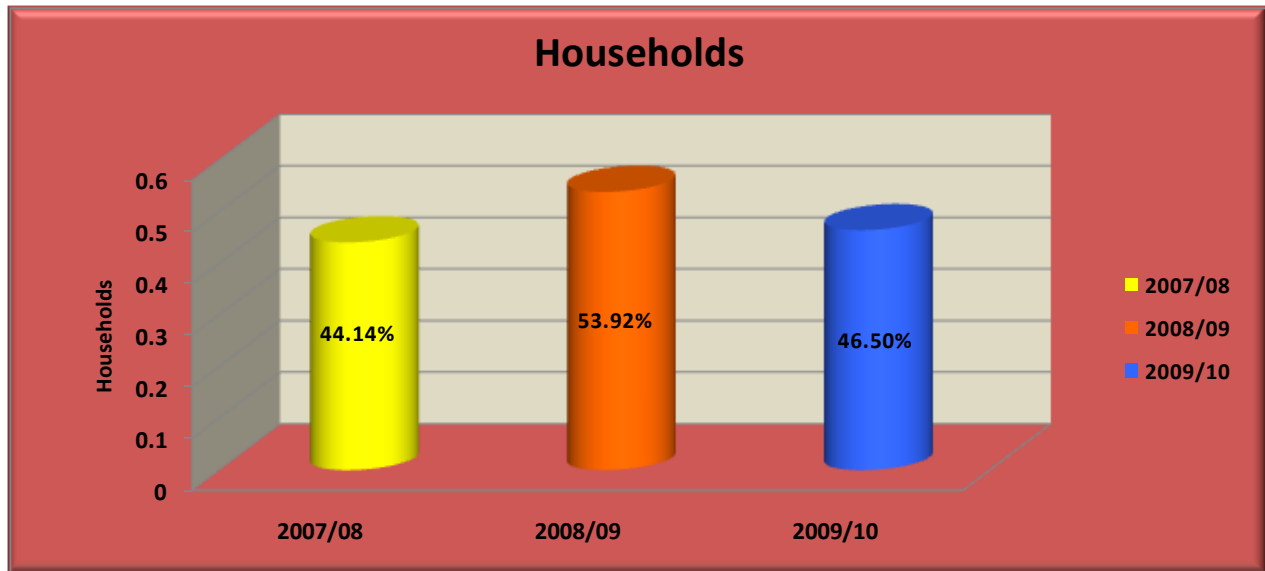
## C) HOUSEHOLDS

The total number of households within the municipal area increased from 7 508 households in 2007/08 financial year to a total of 8 690 households in 2009/10 financial year. This indicates an increase of 15.7% in the total number of households within the municipal area over the two years.

Households	2007/08	2008/09	2009/10
Number of households in municipal area	7 508	7 902	8 690
Number of indigent households in municipal area	3 314	4 261	4 041

*Table 3: Total number of households*

The graph below shows that the total number of indigent households increased with 2.4% over the two years.



*Graph 2: Total % indigent households within the municipal area*

#### D) KEY ECONOMIC ACTIVITIES

Agriculture forms the backbone of Beaufort West economy and accounts for the largest labour to date. Despite the harsh climate and poor carrying capacity of the veldt, it still offers opportunities for growth and employment creation. The Municipality is dependent upon the following economic activities:

Key Economic Activities	Description
<b>Agriculture and agri-processing</b>	Fresh meat (mutton, game, Karoo lamb, ostrich, goat, beef)
	Processed meat (biltong, cold meats, "droë wors")
	Fresh fruit and vegetables (figs, olives, apricots, grapes, herbs)
	Processed fruit and vegetables (chutney, dried figs, olives, jams)
	Animal by-products (skins, hides, wool, mohair, milk)
	Processed animal by-products (leather products, dairy products, wool and mohair products)
	Other (traps for problem animals – manufacturing and servicing)
<b>Transportation</b>	The transportation sector in the Central Karoo is one of the strongest contributors to the regional economy and completely dominated by Beaufort West, which contributes 86,4% of the total GGP in this sector.
<b>Tourism</b>	Wide-open spaces, magnificent landscapes, panoramas and the sense of solitude attractions
	Historic and Cultural attractions

*Table 4: Key Economic activities*

### 1.1.3 SOCIO ECONOMIC INFORMATION

#### A) SOCIO ECONOMIC GROWTH

**The socio-economic information for the municipal area is as follows:**

Housing Backlog	Unemployment Rate (%)	Households with No Income (%)	Average pass rate for numeracy and literacy (%) : Grade	People older than 14 years illiterate (%)	HIV/AIDS Prevalence (%)	Urban/rural household split
4 615	39.00	7.10	39.70	32.00	2.90	82/18

**Table 5: Socio Economic information**

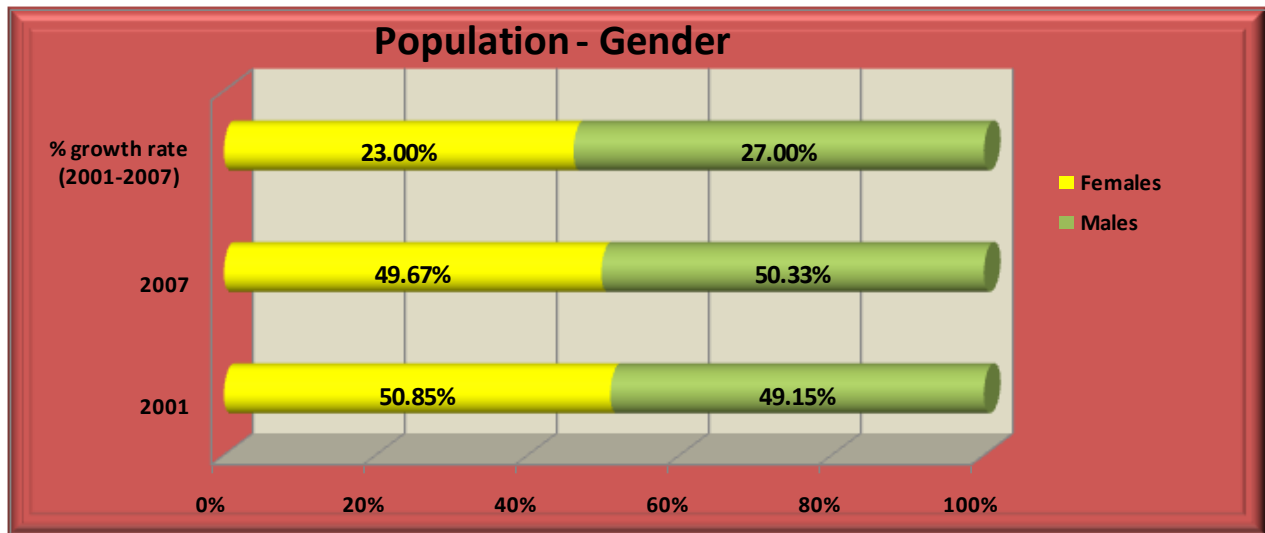
#### B) POPULATION BY GENDER

In 2001 the Beaufort West population showed that females represent 14 839 (50.85%) and males represent 14 343 (49.15%). In 2007 the population is closely balanced with 49.67% (19 371) representation of females and 50.33% (19 631) of males. This indicates that females had a growth rate of 23% whilst males had a growth rate of 27%.

Population - Gender	2001	2007	% growth rate (2001-2007)
<b>Females</b>	14 839	19 371	23
<b>Males</b>	14 343	19 631	27
<b>Total</b>	29 182	39 002	25

**Table 6: Demographic information of the municipal area – Gender**

The following table displays the female to male ratio.



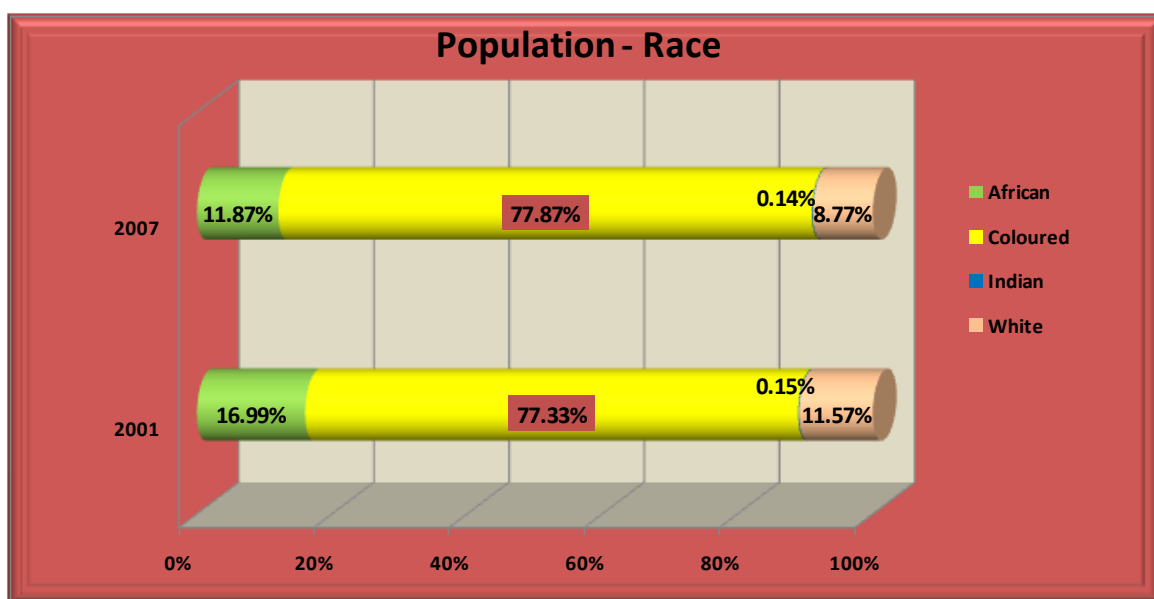
*Graph 3: Gender Population*

### C) POPULATION BY RACE CATEGORIES

Population - Race	2001	2007	% Growth
African	5 945	4 462	(33.24)
Coloured	27 063	29 278	7.57
Indian	51	54	5.56
White	4 051	3 298	(22.83)

*Table 7: Demographic information of the municipal area – Race categories*

The graph below shows the population by race.



*Graph 5: Population by race*

### 1.1.4 MUNICIPAL CHALLENGES

The following general challenges are experienced by the municipality:

<b>Challenges facing the municipality</b>	
<b>CHALLENGES</b>	<b>ACTIONS TO ADDRESS</b>
<b>Employment and job creation</b>	
Low economic growth rate	Implementation of LED initiatives
Unemployment and Poverty	
Grant dependency	Implementation of longer-term revenue enhancement strategies
Skills shortages	Development and implementation of scarce skills policies
<b>Environment (natural resources)</b>	
Extremely limited water resources	Exploring alternative resources
<b>Infrastructure and backlogs</b>	
Limited municipal resource base	Implementation of longer-term revenue enhancement strategies to generated additional funding and submission grant funding application
Replacement of ageing infrastructure	
Alternative energy source for electricity	An operational Wind Farm Project in 2011
Loss in revenue due electricity losses i.e. theft	Regular audit of electricity meters i.e. implementation of split meters
Provision of affordable electricity to the community (Funding ESKOM 132kV supply)	Exploring of different funding sources
Limited water resources to implement greening projects	Improve of water reticulation works
Ageing fleet for refuse removal	Exploring of different funding sources
Illegal dumping	Distribution of information - and law enforcement campaigns
Management of Landfill site	Exploring of different funding sources
Institutional gearing for delivery – institutional constraints	Capacity building and skills development and development and implementation of scarce skills policies
<b>Housing</b>	
Affordability of social housing	Implementation of longer-term revenue enhancement strategies
Availability of land	
Limited municipal resource base	
Transfer of ownership	Referred to Provincial government
Rectification of dilapidated houses (municipal stock)	Applications submitted to Provincial Government
Growing backlog	Appointment of service provide to investigate alternative initiatives to address growing backlog
Water shortage	Exploring alternative resources
<b>Safety and security</b>	
Effective by-law enforcement	Capacity building and skills development

Challenges facing the municipality	
CHALLENGES	ACTIONS TO ADDRESS
Social and community development	
Limited municipal resource base	Implementation of longer-term revenue enhancement strategies

*Table 8: Municipal Challenges*

## CHAPTER 2

# GOVERNANCE



## CHAPTER 2: GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

### 2.1 PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Mayoral Imbizo	A series of mayoral izimbizo were held with a number of communities in Beaufort West. During these sessions the senior management of different provincial departments were to address issues raised

*Table 9: Good Governance and Public Participation Performance Highlights*

### 2.2 CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
Unstable Council	Strengthening of leadership role of Councillors; Speaker to enforce compliance with policy on roles and responsibility between councillors and administration; regular meetings held; rules of order to be enforced by the Speaker; Speaker to enforce the Code of Conduct of Councillors; performance agreements for Councillors
Functioning of ward committees	Establishment of a Monitoring & Evaluation framework for ward committees; ward committee training; ensure compliance with guidelines through workshops; ensure the representation of ward councillors on the district communication forum; re-introduction of the municipal newsletter
Ineffective communication between the municipality and communities	Improving communication with communities with the implementation of the communication strategy
Implementation of the communication strategy	Review the communication strategy and implement

*Table 10: Good Governance and Public Participation Challenges*



## 2.3 GOVERNANCE STRUCTURE

### 2.3.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, councillors are also actively involved in community work and the various social programmes in the municipal area.

#### A) COUNCIL

The Council comprises 13 elected Councillors, made up from 7 Ward Councillors and 6 Proportional Representation (PR) Councillors. The portfolio committees are made up of councillors drawn from all political parties. The party and gender representation in the Council is represented the table below:

Below is a table that categorised the councillors within their specific political parties and wards:

Name of councillor	Capacity	Political Party	Meetings Attendance %	Ward representing or proportional
Juliet Jonas	Executive Mayor	ANC	91.6	Ward 2
Andrew J. Lyon	Deputy Executive Mayor	NPP	91.6	Proportional
William Toto	Full-time Councillor	ANC	91.6	Ward 7
Jacobus van Wyk	Speaker	ICOSA	91.6	Proportional
Petrus S. Botha	Councillor	SDP	83.3	Proportional
Aloma Daniels	Councillor	ICOSA	100	Ward 6
Anna Maans (resigned May 2010)	Councillor	ISOCA	100	Ward 5
Alida C.R. Madumbo (resigned May 2010)	Councillor	ISOCA	81.8	Ward 3
Maria Matunzi	Councillor	ANC	33.3	Proportional
Edward Z. Njadu	Councillor	ANC	83.3	Ward 4
Sarika Nortjé	Councillor	DA	75	Ward 1
Hendrik T. Prince	Councillor	ICOSA	75	Proportional
Anthony D. Willemse	Councillor	DA	91.6	Proportional

**Table 11: Council**

Below is a table which indicates the Council meetings attendance for the 2009/10 financial year:

Meeting dates	Council Meetings Attendance %	Apologies for non-attendance %
7 July 2009	92.3	0
28 July 2009	100	0
11 August 2009	92.3	0
25 August 2009	84.6	7.7
29 September 2009	84.6	7.7
27 October 2009	84.6	7.7
1 & 14 December 2009	61.5	38.5
9 February 2010	92.3	7.7
25 February 2010	76.9	15.4
30 March 2010	92.3	7.7
7 April 2010	76.9	15.4
25 May 2010	53.8	23.1

**Table 12: Council meetings**

#### B) EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below.

Name of member	Capacity
Juliet Jonas	Executive Mayor
Andrew J Lyon	Deputy Mayor
William Toto	Fulltime Councillor

**Table 13: Executive Mayoral Committee**

The table below indicates the dates of the Committee meetings and the number of reports submitted to Council for the 2009/10 financial year:

Meeting dates	Number of reports submitted to council
20 July 2009	7
23 September 2009	
12 October 2009	
18 February 2010	
1 March 2010	
26 April 2010	
21 June 2010	

**Table 14: Committee Meetings**

### C) PORTFOLIO COMMITTEES

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to council. Section 79 committees are temporary and appointed by the executive committee as needed. They are usually set up to investigate a particular issue and do not have any decision making powers. Just like Section 80 committees they can also make recommendations to Council. Once their ad hoc task had been completed, Section 79 committees are usually disbanded. Outside experts, as well as councillors can be included on Section 79 committees.

The portfolio committees for the 2006/11 Mayoral term and their Chairpersons are as follow:

#### a) Financial Services and Development Committee

Name of member	Capacity
Juliet Jonas	Chairperson
Pieter S. Botha	Councillor
Maria Matunzi	Councillor
Anthony D. Willemse	Councillor

**Table 15: Financial Services & Development Portfolio Committees**

Meeting dates	Number of reports submitted to council
9 June 2009	8
9 July 2009	
8 September 2009	

Meeting dates	Number of reports submitted to council
6 October 2009	
3 November 2009	
8 February 2010	
6 April 2010	
7 May 2010	

**Table 16: Financial Services & Development Portfolio Committee Meetings**

b) Corporate Services and Social Development Committee

Name of member	Capacity
Hendrik T. Prince	Chairperson
Pieter S. Botha	Councilor
Edward Z. Njadu	Councilor
Sarika Nortjé	Councilor
Jacobus van Wyk	Councilor

**Table 17: Corporate Services & Social Development Portfolio Committee**

Meeting dates	Number of reports submitted to council
9 June 2009	6
14 July 2009	
18 Augustus 2009	
3 February 2010	
7 April 2010	
2 June 2010	

**Table 18: Corporate Services & Social Development Portfolio Committee Meetings**

c) Human Resource Development Committee

Name of member	Capacity
Andrew J. Lyon	Chairperson
Pieter S. Botha	Councilor
Maria Matunzu	Councilor
Sarika Nortjé	Councilor

**Table 19: Human Resource Development Portfolio Committee**

Meeting dates	Number of reports submitted to council
3 November 2009	5
2 February 2010	
6 April 2010	
11 May 2010	
1 June 2010	

**Table 20: Human Resource Development Portfolio Committee Meetings**

- b) Municipal Services and Infrastructure Committee [Community Development Committee & Technical Services Committee)

Name of member	Capacity
William Toto	Chairperson
Pieter S. Botha	Councilor
Aloma Daniels	Councilor
Jacobus van Wyk	Councilor
Anthony D. Willemse	Councilor

**Table 21: Municipal Services & Infrastructure Portfolio Committee**

Meeting dates	Number of reports submitted to council
10 June 2009	11
8 July 2009	
18 August 2009	
9 September 2009	
7 October 2009	
9 November 2009	
10 November 2009	
3 February 2010	
8 April 2010	
2 June 2010	
3 June 2010	

**Table 22: Municipal Services & Infrastructure Portfolio Committee Meetings**

### 2.3.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the organ gram below.

Name of Official	Department	Performance agreement signed
		(Yes/No)
Mr J Booysen	Municipal Manager	Yes
Ms N Mfundisi	Director: Corporate Services	Yes
Mr D Louw	Director: Financial Services	Yes
Mr AC Makendlana	Director: Community Services	Yes
Mr JCL Smit	Director: Engineering Services	Yes
Mr RE van Staden	Director: Electro Technical Services	Yes

**Table 23: Administrative Governance Structure**

## 2.4 PUBLIC ACCOUNTABILITY

Section 16 of the MSA refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- preparation of the municipal budget



### 2.4.1 WARD COMMITTEES

The ward committees support the Ward Councilor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

Ward 1: Hillside, Central Town, Hospital Hill and Noord Einde

Name of representative	Capacity representing	Date/s of meetings held during the year
Attie Arnoldi	Business	13 August 2009
Stella Roman	Women	
Natie Nel	Farmers	
Hein de Ridder	General	
Immanuel Europa	Sport	
Monica Harmse	General	
Braam Byl	General	
M. Breda	General	
Me. Lottering	General	
Me. Bredenkamp	General	

**Table 24: Ward 1 Committee Meetings**

Ward 2: Nelspoort and Merweville

Name of representative	Capacity representing	Date/s of meetings held during the year
Nelspoort		0
Lena July	Sonstraaltjie Creché	
Rosie Matipa	Badisa	
Mitchell Lottering	Youth	
Booi Jonkers	Health Forum	
Arrie Jonkers	Advice Office	
Merweville		
Zuna Nel	Violence Against Women	
Stephanus Links	Unemployed	
Gena Maans	School Governing Body	

Name of representative	Capacity representing	Date/s of meetings held during the year
Stephanus Vorster	Housing	
Jan Mocke	GPF & Police	

**Table 25: Ward 2 Committee Meetings**

Ward 3: Essopville, Toekomrus, Barrake and Hillside 2

Name of representative	Capacity representing	Date/s of meetings held during the year
Isak Jacobs	General	0
Mietjie Fortuin	Business	
Samual Vorster	Unemployed	
Phillipus Jacobs	Religion	
Gerrit Jonas	Unemployed	
Diedericks Jacobs	Sub Contractor	
Freddie Spogter	General	
Tracey Basson	General	

**Table 26: Ward 3 Committee Meetings**

Ward 4: Kwa Mandlenkosi and De Lande

Name of representative	Capacity representing	Date/s of meetings held during the year
Nana de Bruin	Youth	3 (17 February 2010; 21 February 2010; 29 April 2010)
W. Makayi	Youth	
T. Lambert	Women	
S. Nkanyezi	Sport	
Rev. K. Siwa	Religion	
G. du Plessis	Unemployed	
Ben Solomon	Police	
M. Mpompo	Government	
M. Ntuli	Traditional Healers	
Veronica Diedericks	Women	
André September	Community	

**Table 27: Ward 4 Committee Meetings**



Ward 5: Rustdene, New Lands, New Town, Hooyvlakte and Paddavlei

Name of representative	Capacity representing	Date/s of meetings held during the year
Gabriel Cedras	Youth	1 (19 August 2009)
Josua Faroa	Disabled	
Klaas Benadie	Religion	
Sarah Lottering	General	
Liza Klaazen	General	
Willem Joernaal	Sport	
Gordon Murray	General	

**Table 28: Ward 5 Committee Meetings**

Ward 6: Rustdene and Prince Valley

Name of representative	Capacity representing	Date/s of meetings held during the year
Dorian C. Kühn	Business	0
Charlotte L. Links	General	
Allan M. van Zyl	Unemployed	
Jacoba J. Louw	Women	
Sandra Montzinger	General	
Edward Murray	Religion	
Karen M. Hoorn	General	
Ebenheazer D. Jansen	Disabled	
Rebecca Linders	Youth	
Elizabeth L. Hendricks	General	

**Table 29: Ward 6 Committee Meetings**

Ward 7: Kwa Mandlenkosi and Rustdene

Name of representative	Capacity representing	Date/s of meetings held during the year
Emiel Ngqandela	Business	2 (7 July 2009 & 21 April 2010)
Nomatopo Dyum	Women	
Gideon Pietersen	Sport Forum	
Pumla Mayekiso	Unemployed	
Mamqwathi Tsulelo	Traditional	
Luyanda Stuurman	Small Farmers	
Sipho Ndyalivani	Religion	

Name of representative	Capacity representing	Date/s of meetings held during the year
Nonsikelelo Nmangaliso	Police Forum	

*Table 30: Ward 7 Committee Meetings*

## 2.4.2 FUNCTIONALITY OF WARD COMMITTEE

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the council and the community; and
- to assist the ward councilor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councilor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councilor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The table below provides information on the establishment of Ward Committees and their functionality.

Ward Number	Committee established (Yes / No)	No of reports submitted to the Speakers Office	No of meetings held during the year	Committee functioning effectively (Yes / No)	Actions to address
1	Yes	1	1	No	<ul style="list-style-type: none"> <li>• Improved administrative support</li> <li>• Improved communication with communities</li> <li>• Publishing of proposed meeting dates annually well in advance</li> </ul>
2	Yes	0	0	No	
3	Yes	0	0	No	
4	Yes	3	3	Partially	
5	Yes	1	1	No	
6	Yes	0	0	No	
7	Yes	3	3	Partially	

*Table 31: Functioning of Ward Committees*

### 2.4.3 REPRESENTATIVE FORUMS

#### A) LABOUR FORUM

The table below specifies the members of the Labour forum for the 2009/10 financial year:

Name of representative	Capacity	Meeting dates
PS Botha	Councilor	9 July 2009 12 October 2009 25 November 2009 11 June 2010
AJ Lyon	Councilor	
S Nortjé	Councilor	
EZ Njadu	Councilor	
J Booysen	Municipal Manager	
JCL Smit	Director: Engineering Services	
L Barnard	Manager: Personnel Services	
M Vlok	Chair: IMATU	
AJ Hendriks	IMATU	
H Maans	Chair: SAMWU	
C Mcleod	SAMWU	
XJ Stuurman	SAMWU	

**Table 32: Labour Forum**

### 2.4.4 IZIMBIZO

Izimbizo gives further effect and concrete expression to participatory democracy so that communities can exercise their rights to be heard, and assist with the national effort to build a better life for all.

Government launched the Izimbizo programme in 2001 as a period of intensified activity where all spheres of government - national, provincial and local - interact with the people across the country. The Izimbizo initiative plays an important role as an interactive style of governance, which creates more space for public participation and involvement around interactive implementation of government's Programme of Action.

Izimbizo is about unmediated communication between government and its people. It is a forum for enhancing dialogue and interaction between senior government executives and ordinary people and provides an opportunity for government to communicate its programmes and progress directly to the people. Izimbizo also promotes participation of the public in the programmes to improve their lives. Interaction through Izimbizo highlights particular problems needing attention, blockages in implementation of policy, or policy areas that may need review. It draws public input into how best to tackle challenges and gives the President and others direct access to what people say and feel about government and

service delivery, to listen to their concerns, their grievances and advice about the pace and direction of government's work.

The table below categorise the date of events held within the different types of Izimbizo:

Type of Imbizo	Date of event	Number of Community members attending	Issues raised by community	Issues addressed (Yes/No)
<b>Municipal/Mayoral Izimbizo</b>	10 November 2009	150	All issues raised are answered by the respective municipal councilors and managers present. It is also summarised and referred to the respective departments	All issues raised are addressed within the available capacity and budget
	16 November 2009	80		
	9 November 2009	80		
	3 November 2009	200		

**Table 33: Izimbizo**

## 2.5 CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

### 2.5.1 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the MFMA, section 112(1)(m)(i), identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

#### A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted
Anti corruption strategy	Yes	November 2009

**Table 34: Strategies**

### B) IMPLEMENTATION PLAN

The implementation plan below highlights the initiatives/projects that will be undertaken to achieve the Anti-corruption Strategic Objectives

Strategic Objectives	Project	Activities	Performance Indicators
Develop policies and procedures	Policy Review	Review and refine existing policies	Policy redrafted
	Policy Alignment	Align related policies to the anti-corruption policy	Policies amended
	Policy Adoption & Strategy & Implementation Plan	Adopt policy through council	Policy adopted: resolution
	Policy Implementation	Adopt a strategy & implementation plan	Plan adopted
		Delegate roles as per policy	Job descriptions instruction to managers
Response	Departmental Policies and Procedures	Each department to develop appropriate policies and procedures	Standing orders adopted
	Debt Counseling	Provide support for staff with personal finances and debt management to help prevent corrupt actions	Counseling offered to staff
Monitoring and Evaluation	Reporting and oversight of Anti-Corruption strategy	Establish a monitoring and evaluation mechanism to track implementation of the anti-corruption strategy	System implemented
	Monitor HR processes	Implement time management system	System implemented
		Review and implement leave administration system	System implemented
	Asset management processes	Implement asset management procedures	System implemented
	Monitoring processes	Implement monitoring systems for money related processes	System implemented
Accountability	Conduct a risk assessment	Appoint a consultant to conduct a systematic risk assessment of all business units	Assessment report presented
	Update Risk Assessment policy	Improve the existing document to reflect the specific circumstances of BWLM	Document revised
	Establish a procedure for regular re-assessments	Incorporate procedure into existing document	Document revised Accepted by Council
	Update Job descriptions	Ensure that JDs incorporate	JDs updated

Strategic Objectives	Project	Activities	Performance Indicators
		anti-corruption activities	

*Table 35: Anti-Corruption Strategy Implementation Plan*

### 2.5.2 AUDIT COMMITTEE/S

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control;
- risk management;
- performance Management; and
- effective Governance.

#### A) FUNCTIONS OF THE AUDIT COMMITTEE

The Council decided that the Audit Committee will also act as the Performance Committee.

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003, Local Government Municipal and Performance Management Regulation, 2001 and the office of the Auditor-General:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual DoRA and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- Carry out such investigations into the financial affairs of the municipality as council may request.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- To evaluate the compliance to existing policies and relevant legislation.
- To review the performance management system and make recommendations in this regard to Council.
- To assess whether the performance indicators are sufficient.

- To determine possible reasons for discrepancies between performance and targets.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimized.
- To review the annual report of the municipality.
- Investigating cases of fraud, misbehaviour and conflict of interest involving employees.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Review audit results and action plans implemented by management.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.

#### B) MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
A Hooker	Chairperson	7 January 2010
K E Mc Kay	Deputy Chairperson	27 May 2010
T Solomon	Member	24 June 2010
W Hawker	Member	28 June 2010

**Table 36 Members of the Audit Committee**

### 2.5.3 INTERNAL AUDITING

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
  - Risk and risk management



Below are the functions of the Internal Audit Unit that was performed during the financial year under review:

Function	Date/ Number
Risk analysis completed/reviewed	Yes
Risk based audit plan approved for 2009/10 financial year	Yes
Internal audit programme drafted and approved	Yes
Number of audits conducted and reported on	7
<b>Audit reports included the following key focus areas</b>	
<i>Internal controls</i>	
<i>Accounting procedures and practices</i>	
<i>Risk and risk management</i>	
<i>Performance management</i>	
<i>Loss control</i>	
<i>Compliance with the MFMA and other legislation</i>	

**Table 37: Internal Audit Functions**

#### 2.5.4 AUDITOR GENERAL

The municipality was audited by the Auditor-General of South Africa in terms of section 188 of the Constitution and section 4 of the Public Audit Act and section 126 of the MFMA and the audit report for the financial year under review is in chapter 7 of this report.

#### 2.5.5 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the by-laws developed and reviewed during the financial year:

By-laws developed/revised	Date adopted	Public Participation Conducted Prior to adoption of By-Laws (Yes/No)	Date of Publication
By-law relating to the amendment of the By-law relating to Credit Control and Debt Collection	9 February 2010	Yes	Provincial Gazette No 6701 dated 26 February 2010

**Table 38: By-laws**



Below is a list of all the policies developed and reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy (Yes/No)	Date of Publication
Records Management Policy	25 May 2010	n/a	n/a
Records Procedure Manual	25 May 2010	n/a	n/a

**Table 39: Policies**

## 2.5.6 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of **Batho Pele** and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	No
Communication strategy	Yes
Communication Policy	Yes
Customer satisfaction surveys	No
Functional complaint management systems	Yes
Newsletters distributed at least quarterly	No

**Table 40: Communication Activities**

## 2.5.7 WEBSITES

A municipal website should be an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

<b>Documents published on the Municipal website</b>	<b>Published Yes/No</b>
<b>Current annual and adjustments budgets and all budget-related documents</b>	Yes
<b>Budget implementation policy: Tariff policy</b>	Yes
<b>Budget implementation policy: Credit control policy</b>	Yes
<b>Budget implementation policy: Rates policy</b>	Yes
<b>Budget implementation policy: Supply Chain Management Policy</b>	No
<b>Annual report (08/09)</b>	Yes
<b>Performance agreements required in terms of section 57 (1) (b) of the Municipal Systems Act (09/10)</b>	Yes
<b>All service delivery agreements (09/10)</b>	No
<b>All long-term borrowing contracts (09/10)</b>	No
<b>All supply chain management contracts above the prescribed value for 09/10</b>	Yes
<b>Information statement containing a list of assets over a prescribed that have been disposed of in terms of section 14 (2) or (4) of the MFMA during 09/10</b>	Yes
<b>Contracts agreed in 09/10 to which subsection (1) of section 33 of the MFMA apply, subject to subsection (3) of that section</b>	n/a
<b>Public-private partnership agreements referred to in section 120 of the MFMA made in 09/10</b>	n/a
<b>All quarterly reports tabled in the council in terms of section 52 (d) of the MFMA during 09/10</b>	Yes

*Table 41: Website Checklist*

## CHAPTER 3

# ORGANISATIONAL DEVELOPMENT PERFORMANCE



## CHAPTER 3: ORGANISATIONAL DEVELOPMENT PERFORMANCE

### 3.1 PERFORMANCE HIGHLIGHTS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Highlight	Description
All job descriptions completed	Completed all job description for implementation of TASK 1 July 2010
Employment Equity Committee	Establishment of Employment Equity Committee
Fire Brigade section established	Establishment of Fire Brigade section - 12 posts filled
Intern program	Successful implementation of intern program

**Table 42 Performance Highlights– Municipal Transformation and Organisational Development**

### 3.2 CHALLENGES – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

Challenge	Actions to address
Current information management system for Human Resources does not provide information as required for reporting purposes.	Investigate the development and implementation of an improved HR information system
Limited capacity and support staff to perform full Human Resource function	Implement of revenue enhancement strategies to appoint more staff
Office space (staff scattered); impacts negatively on staff performance and service delivery	Implement of revenue enhancement strategies to provide additional and centralized space
Skills audit required; preparatory to compiling comprehensive skills development strategy with reference to 2013 skills requirements	Initiate effective investigation and compilation of recommendations together with a comprehensive training programme
Effective functioning of Labour relations	Capacitating of HR function and strengthening of work ethic in employees

**Table 43: Challenges – Municipal Transformation and Organisational Development**

### 3.3 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Beaufort West Municipality currently employs **333** officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

### 3.3.1 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

#### A) EMPLOYMENT EQUITY TARGETS/ACTUAL

African			Coloured			Indian			White		
Target June	Actual June	Target reach %	Target June	Actual June	Target reach %	Target June	Actual June	Target reach %	Target June	Actual June	Target reach %
62	84	136	287	223	77	0	0	0	39	26	67

Table 44: 2009/10 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach %	Target June	Actual June	Target reach %	Target June	Actual June	Target reach %
150	247	165	238	86	36	4	4	100

Table 45: 2009/10 EE targets/actual by gender classification

#### B) EMPLOYMENT EQUITY VS. POPULATION

Description	African	Coloured	Indian	White	Total
Population numbers	5 864	27 656	45	4 033	37 598
% Population	16%	74%	0%	11%	100%
Number for positions filled	84	223	0	26	333
% for Positions filled	25%	67%	0%	8%	100%

Table 46: EE population 2009/10

C) OCCUPATIONAL CATEGORIES - RACE

Below is a table that indicate the number of employees by race within the specific occupational categories:

Posts filled									
Occupational	Male				Female				Total
categories	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	1	6	0	4	1	1	0	2	15
Professionals	1	1	0	1	-	1	0	0	4
Technicians and associate professionals	0	3	0	0	0	0	0	0	3
Clerks	3	11	0	0	11	32	0	12	69
Service and sales workers	3	9	0	1	4	5	0	0	22
Craft and related trades workers	9	48	0	6	0	0	0	0	63
Plant and machine operators and assemblers	7	23	0	0	1	0	0	0	31
Elementary occupations	38	72	0	0	5	11	0	0	126
Total permanent	62	173	0	12	22	50	0	14	333
Non- permanent	0	6	0	2	3	10	0	1	22
Grand total	62	179	0	14	25	60	0	15	355

Table 47: Occupational Categories

D) OCCUPATIONAL LEVELS - RACE

The table below categories the number of employees by race within the occupational levels:

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management	1	2	0	2	1	0	0	0	6
Senior management	0	5	0	5	0	0	0	2	12
Professionally qualified and experienced specialists and mid-management	1	2	0	0	0	3	0	0	6
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	5	23	0	3	4	7	0	2	44
Semi-skilled and discretionary decision making	17	61	0	2	12	29	0	10	131
Unskilled and defined decision making	38	80	0	0	5	11	0	0	134
Total permanent	62	173	0	12	22	50	0	14	333

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Non- permanent employees	0	6	0	2	3	10	0	1	22
Grand total	62	179	0	14	25	60	0	15	355

Table 48: Occupational Levels

### E) DEPARTMENTS - RACE

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal Manager	2	3	0	2	1	1	0	1	10
Corporate Services	2	2	0	1	5	14	0	3	27
Financial Services	2	9	0	1	4	13	0	7	36
Community Services	11	42	0	1	9	12	0	1	76
Engineering Services	40	104	0	3	2	10	0	2	161
Electro Technical Services	5	13	0	4	1	0	0	0	23
Total permanent	62	173	0	12	22	50	0	14	333
Non- permanent	0	6	0	2	3	10	0	1	22
Grand total	62	179	0	14	25	60	0	15	355

Table 49: Department - Race

### 3.3.2 VACANCY RATE

The approved organogram for the municipality had **388** posts for the 2009/10 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **55** Posts were vacant at the end of 2009/10, resulting in a vacancy rate of **14.1%** which is an improvement from **16.8%** in the 2008/09 financial year.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57	6	0
Middle management	16	4
Admin Officers	69	6
General Workers	242	45
<b>Total</b>	<b>333</b>	<b>55</b>
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant

PER POST LEVEL		
Post level	Filled	Vacant
Municipal Manager	10	0
Corporate Services	27	1
Financial Services	36	4
Community Services	76	10
Engineering Services	161	32
Electro Technical Services	23	8
<b>Total</b>	<b>333</b>	<b>55</b>

*Table 50: Vacancy rate per post and functional level*

The table below indicates the number of staff per level expressed as total positions and current vacancies express as full time staff equivalents:

Salary Level	Number of current critical vacancies	Total NO of posts as per organogram	Vacancy job title	Vacancies (as a proportion of total posts per category)
Municipal Manager	0	1	0	0%
Chief Financial Officer	0	1	0	0%
Other Section 57 Managers	0	4	0	0%
Senior management (Levels 13-15)	0	5	0	0%
Highly skilled supervision (levels 9-12)	1	28	Electrician	4%
<b>Total</b>	<b>1</b>	<b>48</b>	<b>1</b>	<b>2%</b>

*Table 51: Vacancy rate per salary level*

### 3.3.3 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge.

The table below indicates the turn-over rate over the last two years:

Financial year	New appointments	No of terminations during the year	Turn-over Rate
<b>2009/10</b>	33	7	<b>21.21%</b>

*Table 52: Turnover Rate*



### 3.4 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analyzing and coordinating employee behavior.

#### 3.4.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a **decrease** for the 2009/10 financial year from **28** employees injured in 2008/09 against **9** employees during 2009/10.

The table below indicates the total number of injuries within the different directorates:

Directorates	2008/09	2009/10
Municipal Manager	0	0
Corporate Services	0	0
Financial Services	1	0
Community Services	7	3
Engineering Services	18	6
Electro Technical Services	2	0
<b>Total</b>	<b>28</b>	<b>9</b>

*Table 53: Injuries*

#### 3.4.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2009/10
Municipal Manager	37
Corporate Services	40
Financial Services	77
Community Services	350
Engineering Services	203

Department	2009/10
<b>Electro Technical Services</b>	61
<b>Total</b>	<b>728</b>

*Table 54: Sick Leave*

### 3.4.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The policies for the procedure for the appointment of personnel and the recruitment of “scarce skills” were developed during the 2009/10 financial year.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Employment Policy	2003
Internal Conditions of Service	2003
Sexual harassment	2007
Subsistence and Traveling	2007
Training & Development	2007
Language	2007
Support Staff	2007
Cell Phone	2007
Induction Training and Staff Orientation	2007
Internal control: Salaries and grants	2007
Study	2007
IT	2007
HIV/AIDS	2007
Induction programme	2008
Policies still to be developed	
Name of policy	Proposed date of approval
Recruitment and Selection	2011
Performance Management	2011
Employment Equity	2011
Incapacity / Ill-Health	2011
Subsistence Abuse	2011
Smoking Policy	2011
Overtime	2011

Approved policies	
Name of policy	Date approved/ revised
Retirement Planning	2011
Unauthorized Absence	2011
Uniform Protective Clothing	2011

*Table 55: HR policies and plans*

### 3.4.4 EMPLOYEE PERFORMANCE REWARDS

In accordance with regulation 32, a performance bonus, based on affordability, may be paid to an employee, after -

- (1) the annual report for the financial year under review has been tabled and adopted by the municipal council;
- (2) an evaluation of performance in accordance with the provisions of regulation 23; and
- (3) approval of such evaluation by the municipal council as a reward for outstanding performance.

The evaluation of the performance of Section 57 managers forms the basis for rewarding outstanding performance.

The table below shows the total number of employees that received performance rewards:

Race	Gender	Number of beneficiaries	Total number of employees received performance rewards	% Employees received performance rewards
African	Female	1	1	100
	Male	1	1	100
Asian	Female	0	0	0
	Male	0	0	0
Coloured	Female	0	0	0
	Male	2	2	100
White	Female	0	0	0
	Male	2	2	100
Disability	Female	0	0	0
	Male	0	0	0
Total		6	6	100

*Table 56: Performance Rewards*

### 3.5 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

#### 3.5.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	1	1
	Male	5	5
Legislators, senior officials and managers	Female	2	2
	Male	1	0
Associate professionals and Technicians	Female	0	0
	Male	2	2
Professionals	Female	0	0
	Male	4	4
Sub total	Female	3	3
	Male	12	11
Total		15	14

Table 57: Skills Matrix

#### 3.5.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act (2000) require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55 (1) (f) states that as head of administration the Municipal Manager is responsible for the management, utilisation and training of staff.

Occupational categories	Gender	No of employees as at the beginning of the financial year	Training provided within the reporting period								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
			Actual	Target	Actual	Target	Actual	Target	Actual	Required	% Variance

Occupational categories	Gender	No of employees as at the beginning of the financial year	Training provided within the reporting period								
			Learnerships		Skills programmes & other short courses		Other forms of training		Total		
			Actual	Target	Actual	Target	Actual	Target	Actual	Required	% Variance
Legislators, senior officials and managers	Female	4	0	0	1	1	1	1	2	2	0
	Male	11	0	0	5	5	0	0	5	5	0
Professionals	Female	1	0	0	1	1	0	0	1	1	0
	Male	3	0	0	3	3	0	0	3	3	0
Technicians and associate professionals	Female	0	0	0			0	0	0	0	0
	Male	3	0	0	3	3	0	0	3	3	0
Clerks	Female	55	0	0	11	11	0	0	11	11	0
	Male	14	0	0	6	6	0	0	6	6	0
Service and sales workers	Female	9	0	0	6	6	0	0	6	6	0
	Male	13	0	0	6	6	0	0	6	6	0
Craft and related trade workers	Female	0	0	0			0	0	0	0	0
	Male	63	0	0	19	19	0	0	19	19	0
Plant and machine operators and assemblers	Female	1	0	0	1	1	0	0	1	1	0
	Male	30	0	0	7	7	0	0	7	7	0
Elementary occupations	Female	16	0	0	0	0	2	2	2	2	0
	Male	110	0	0	0	0	48	48	48	48	0
Sub total	Female	86	0	0	20	20	3	3	23	23	0
	Male	247	0	0	49	49	48	48	97	97	0
Total		333	0	0	69	69	51	51	120	120	0

**Table 58: Skills Development**

### 3.5.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R 143 500** of the total personnel budget was allocated to the Workplace skills plan and that **157%** of the total amount was spent in the 2009/10 financial year:

Total personnel budget	Total Allocated for Skills Development	Total Spend	% Spend
41 843 530	143 500	224 720	157

**Table 59: Budget allocated and spent for skills development**

## 3.6 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line

with the requirements of the Public Service Regulations (2002) as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

### 3.6.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spending on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	(R'000)	(R'000)	(%)
2007/08	32 524	112 098	29%
2008/09	34 646	140 431	25%
2009/10	40 693	139 470	29%

*Table 60: Personnel Expenditure*

Below is a summary of Councilor and staff benefits for the year under review:

Financial year	2006/7	2007/8	2008/9	2009/10		
Description	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
<b>Councillors (Political Office Bearers plus Other)</b>						
Salary	1 907 461	1 664 610	2 175 269	2 435 972	2 435 972	2 295 404
Pension Contributions	109 819	125 793	153 165	199 120	199 120	122 312
Medical Aid Contributions	45 900	23 749	12 654	16 140	16 140	17 721
Motor vehicle allowance	604 469	501 845	576 663	581 000	581 000	664 408
Cell phone allowance	126 614	113 297	143 624	180 000	180 000	182 034
Housing allowance	25 497	0	0	0	0	0
Other benefits or allowances	4 680	0	0	0	0	0
In-kind benefits	0	0	0	0	0	0
<b>Sub Total</b>	<b>2 824 440</b>	<b>2 429 294</b>	<b>3 061 375</b>	<b>3 412 232</b>	<b>3 412 232</b>	<b>3 281 879</b>
% increase/ (decrease)	-	(14.0%)	26.0%	11.5%	0	3.8%
<b>Senior Managers of the Municipality</b>						
Pension Contributions	1 424 659	1 677 359	2 068 509	2 564 506	2 564 506	2 675 765
Pension	16 6317	241 243	367 905	464 344	464 344	457 394

Financial year	2006/7	2007/8	2008/9	2009/10		
Description	Actual	Actual	Actual	Original Budget	Adjusted Budget	Actual
<b>Contributions</b>						
<b>Medical Aid Contributions</b>	77 227	27 379	38 980	43 940	43 940	46 226
<b>Motor vehicle allowance</b>	329 550	431 324	484 122	504 000	504 000	501 118
<b>Cell phone allowance</b>	21 000	35 000	40 500	42 000	42 000	42 000
<b>Housing allowance</b>	0	0	0	0	0	0
<b>Performance Bonus</b>	157 809	207 199	240 936	286 143	286 143	213 517
<b>Other benefits or allowances</b>	0	0	0	0	0	0
<b>In-kind benefits</b>	0	0	0	0	0	0
<b>Sub Total</b>	<b>2 176 562</b>	<b>2 619 504</b>	<b>3 240 952</b>	<b>3 904 933</b>	<b>3 904 933</b>	<b>3 936 020</b>
<b>% increase/ (decrease)</b>		<b>20.4%</b>	<b>23.7%</b>	<b>20.5%</b>	<b>0</b>	<b>0.8%</b>
<b>Other Municipal Staff</b>						
<b>Basic Salaries and Wages</b>	20 266 646	18 521 449	20 652 210	28 688 885	27 376 283	24 680 387
<b>Pension Contributions</b>	2 751 077	5 062 603	4 245 570	5 197 167	4 417 544	4 134 531
<b>Medical Aid Contributions</b>	1 017 197	1 20 3343	686 429	1 524 309	1 413 385	768 966
<b>Motor vehicle allowance</b>	691 309	506 244	531 964	506 672	506 672	472 939
<b>Cell phone allowance</b>	0	0	0	0	0	0
<b>Housing allowance</b>	197 042	285 319	328 496	356 642	262 194	245 478
<b>Overtime</b>	1 053 165	1 908 688	2 160623	1 468 965	2 4564 65	2 893 830
<b>Performance Bonus</b>	0	0	0	0	0	0
<b>Other benefits or allowances</b>	0	2 417 390	2 799 904	4 214 054	1 506 054	3 560 472
<b>Sub Total</b>	<b>25 976 436</b>	<b>29 905 036</b>	<b>31 405 196</b>	<b>41 956 694</b>	<b>37 938 597</b>	<b>36 756 603</b>
<b>% increase/ (decrease)</b>	-	<b>15.1%</b>	<b>5.0%</b>	<b>33.6%</b>	<b>(9.6%)</b>	<b>(3.1%)</b>
<b>Total Municipality</b>	<b>30 977</b>	<b>34 954</b>	<b>37 708</b>	<b>49 274</b>	<b>45 256</b>	<b>43 975</b>
<b>% increase/ (decrease)</b>	-	<b>12.8%</b>	<b>7.9%</b>	<b>30.7%</b>	<b>(8.2%)</b>	<b>(2.8%)</b>

*Table 61: Personnel Expenditure*

## CHAPTER 4

# STRATEGIC PERFORMANCE





## CHAPTER 4: STRATEGIC PERFORMANCE

This chapter will provide information on the strategic performance of the municipality and will indicate how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an ongoing basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This chapter speaks to the strategic performance highlights in terms of the Municipality's IDP, performance on basic service delivery and backlogs addressed the MIG projects as well as the spending priorities for the following year. It addresses the communication and public participation processes of the Municipality to give a holistic view of how the Municipality communicates performance to its stakeholders.

The Strategy map below specifies the strategic link of the Strategic Objectives/Programmes of the Beaufort West municipality aligned with the Municipal Key Performance Areas as well as the National Key Performance Areas. The National Key Performance Areas is aligned with the Strategic Objectives that were identified in the 2009/10 reviewed IDP. The strategic objectives are linked to the outcomes for 2009/10. These alignments are directly link to the Beaufort West municipality's vision and mission.

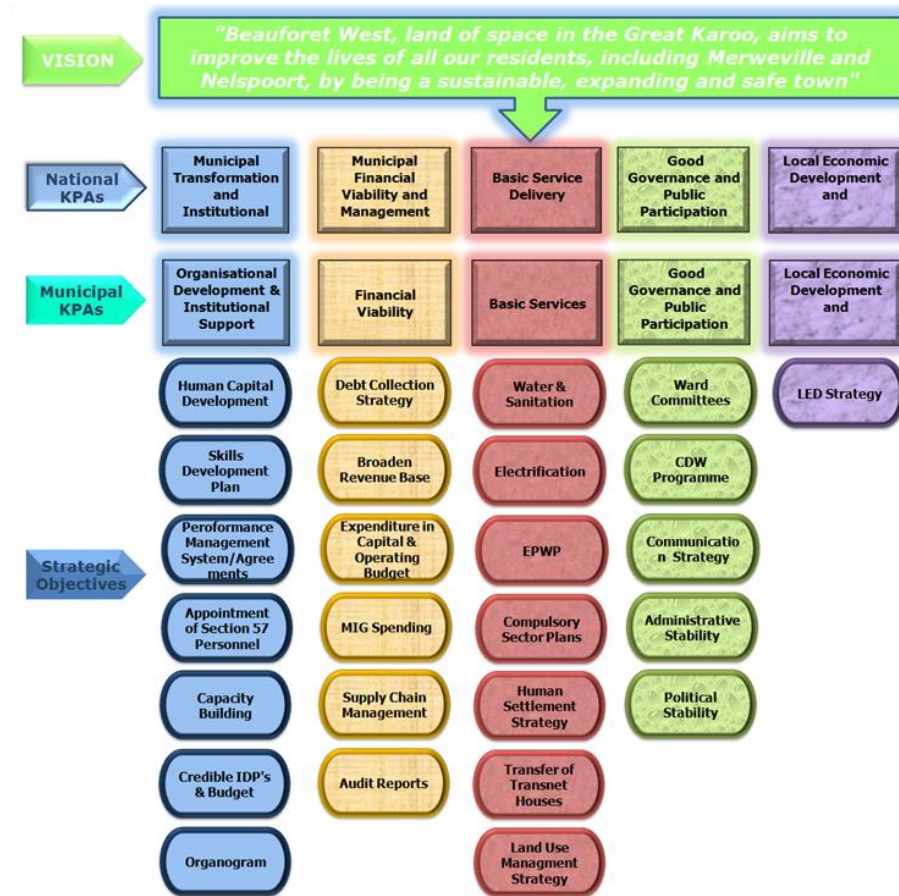


Figure 3: Strategy Map

The Municipal Systems Act, 2000 (Act 32 of 2000) and the Local Government: Municipal Planning and the Performance Management Regulations, 2001, require municipalities to adopt a performance management system. Once the IDP and budget have been prepared and approved, the Municipality prepared their Service Delivery and Budget Implementation Plan (SDBIP) in accordance with the MFMA and MFMA Circular 13. The SDBIP indicates monthly performance targets, financial performance targets and assigns responsibility to execute the respective performance targets. The Municipality assessed its performance on a monthly basis and reported progress on performance against targets set to Council quarterly and ultimately presents the annual performance results in this annual report.

#### 4.1 NATIONAL KEY PERFORMANCE INDICATORS

The following table indicates the municipality's performance in terms of the National Key Performance Indicators as required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001:

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2007/08	2008/09	2009/10
<b><u>Basic Service Delivery</u></b>			
(a) The percentage of households with access to basic level of water & sanitation, electricity and solid waste removal	100	100	100
(b) The percentage of households earning less than R 1100 per month with access to free basic services	100	100	100
<b><u>Municipal Institutional development and transformation</u></b>			
(a) The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	14	14	14
(b) (b) The percentage of a municipality's budget actually spent on implementing its workplace skills plan	3.10	1.10	0.3
<b><u>Local economic development</u></b>			
The number of <b>jobs created</b> through municipality's local economic development initiatives including capital projects	616	943	1 260
<b><u>Municipal financial viability and management</u></b>			
<b>Financial viability</b> as expressed by the following ratios:			
• Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	42.35	40.37	38.31
• Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	39.3	31	38.29

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2007/08	2008/09	2009/10
• Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	1.7	2.4	2.6
<b>Good governance and public participation</b>			
The percentage of a municipality's <b>capital budget</b> actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	77.3	64.0	68.8

*Table 62: Performance in terms of the National Key Performance Indicators*

## 4.2 GENERAL PRIORITY AREAS

The following table indicates the specific areas in which challenges are experienced by the municipality. They are categorized in general priority areas that are aligned with the National Key Performance areas.

National Key Performance Area	Priority Area	Challenges	Actions to address
<b>Municipal Transformation and Institutional Development</b>	Skills development for employees	Skills Audit required preparatory to compiling comprehensive skill development strategy	Initiate effective investigation and compilation of recommendations together with a comprehensive training programme
	Labour Relations	Functionality of labour relations, capacity of HR management	Capacitating of HR function and strengthening of work ethic in employees
<b>Municipal Financial Viability and Management</b>	Debt Management	Financial viability affected, increase in debtors	MEC to consult with the council on the consequences of the credit control policy on the financial viability of the municipality
	Information processing and management system	Ineffective systems operation, management and data retrieval for reporting	Recruit and appoint suitable personnel; contract service provider to capacitate personnel; investigate options to simplify data e.g. migration to new system or modules
	Clean Audit	Functionality of Internal Audit function	Appointment of skilled staff and interns
		Functionality of Audit committee	
	SCM	Ineffective supply chain structure and operations, inadequate storage and stock control	Investigate status quo, consider alternative structure and implement capacity building programme
	Budget control	Fiscal discipline in adhering to legal prescriptions and expenditure management	Implementation of budget database and monitoring/reporting system; ongoing training
		Difficulty with GAMAP compliance	Capacitating of internal staff
	Risk management	Capacity for effective risk	Reviewing of organogram and

National Key Performance Area	Priority Area	Challenges	Actions to address
		management	appointment of skilled staff
	Capital expenditure	Insufficient budget for the maintenance of the aging infrastructure	Assessment of the current state of all municipal infrastructure; comprehensive bulk infrastructure study (water and sanitation)
	Equitable share	Insufficient funds to meet full scope of service delivery support and indigent/FBS needs	Implementation of longer-term revenue enhancement strategies; request to national department to review amount allocated
	Infrastructure development	Insufficient funds to meet full scope of service delivery infrastructure development and refurbishment	Submit requests for revised/increased allocation via provincial government
<b>Good Governance and Public Participation</b>	Ward committees	Functionality of ward committees	Establishment of M&E framework for ward committee
	Public communication system	Ineffective communication between the municipality and communities; implementation of communication strategy	Improving communication with community with more effective implementation of communication strategy

**Table 63: General priority areas**

### 4.3 BASIC SERVICE DELIVERY

#### 4.3.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
<b>Water</b>	Designed and started with the construction of water reclamation plant
	Developed the Hans River aquifer
	Achieved Blue Drop status
<b>Sanitation</b>	The bucket system were eradicated in all urban area
<b>Electricity</b>	Progress made with the implementation of the Wind Farm Project
	Electrification of 216 houses in Nelspoort
	4 High mast lights erected in De Lande
	Establishment of a substation
	Electrification of Central Karoo farm workers houses (Wolwekraal Scheme, Traka Scheme, Zoetvlei Scheme, Springfontein, Esselsfontein, La De Da)
<b>Refuse Removal</b>	416,06 Tons of recyclables produced
	Finalise the signing of purchase contract with owners for municipal owned property for 1021 houses
<b>Housing</b>	216 houses built in Nelspoort
	90 houses built in Merweville
<b>Roads, Pavements</b>	Start reconstruction of streets in Industrial area

Highlight	Description
<b>and Bicycle lanes</b>	Designed stormwater retention dams for hillside that will be erected in 2011
	Progress was made with the Provincial Transport Infrastructure Projects regarding the construction of pavements and the widening of the Gamka Bridge for pedestrians.

**Table 64: Basic Services Delivery Highlights**

### 4.3.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
<b>Water</b>	Ageing infrastructure - limited funding	Needs assessment, subsidy strategy to finance water tanks
	No provision of storage capacity for rainwater harvesting	
<b>Waste site management and maintenance</b>	Lack of implements and expertise to manage waste storage and landfill operations	Determine the type of implements required and call for tenders; recruit and/or capacitate suitable management candidates
<b>Refuse removal and solid waste disposal</b>	Inadequate and inefficient vehicles for effective service delivery	Secure funding and call for tenders for adequately specified vehicles
<b>Waste recycling</b>	Waste recycling & recovery process	Community awareness campaign, establishment of main recycling plant and recycling preparation processes at transfer stations
<b>Sanitation</b>	Unnecessary drain blockages due to materials wrongly dumped	Community awareness campaign
<b>Stormwater</b>	Lack of heavy machines for cleaning purposes	Secure funding and call for tenders for adequately specified machines
<b>Electricity</b>	Inadequate funding to adhere to service delivery requirement	Implementation of longer-term revenue enhancement strategies
	Cost of training	
	Scarce skills	Development and implementation of scarce skills policy
<b>Roads, Pavements and Bicycle lanes</b>	Unpaved gravel of roads in all residential areas	Master plan completed and applications for funding submitted. Pave/tar roads in residential areas with labour intensive focus.
	Deteriorated roads with severe pothole conditions	Investigation and compilation of priority list for resurfacing/resealing
<b>Public safety</b>	Traffic licensing and test ground not under one roof	Identification of suitable municipal land for construction of test course; construction of K51 standard test grounds
<b>Informal settlements</b>	Housing backlog of 3000 units	Conduct study with the assistance of the national Department of Human Settlements about the costs for land acquisition and the servicing of land
	Influx of people in the municipal area	Develop municipal bi-laws that will control the mushrooming of informal settlements in the municipality; working with the relevant departments to develop policies that deal with the servicing of private land

Service Area	Challenge	Actions to address
	Number and skills of housing officials/retention of skills	Development and implementation of scarce skills policy

**Table 65: Basic Services Delivery Challenges**

### 4.3.3 ACCESS TO FREE BASIC SERVICES

The following table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than R 2 160 per month will receive the free basic services as prescribed by national policy.

Free Basic Services to Indigent Households									
Financial year	Number of households								
	Total no of HH	Free Basic Electricity		Free Basic Water		Free Basic Sanitation		Free Basic Refuse Removal	
		No of HH with Access	%	No of HH with Access	%	No of HH with Access	%	No of HH with Access	%
2008/09	7 902	4 261	54	4 261	54	3 616	46	1 083	14
2009/10	8 690	4 041	47	4 041	47	3 826	44	1 292	15

**Table 66: Free basic services to indigent households**

The access to free basic services is summarised into the different services as specified in the following table:

#### Electricity:

Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2008/09	4 261	50	1 370	4 765	0	0	216	50	35
2009/10	4 041	50	1 624	5 084	0	0	0	0	0

#### Water:

Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2008/09	4 261	6	1 578	5 027	0	0
2009/10	4041	6	1669	5084	0	0

#### Sanitation:

Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH pm	Value	No of HH	R value per HH pm	Value
			R'000			R'000

<b>2008/09</b>	3 616	1	1 451	5 672	0	0
<b>2009/10</b>	3826	1	1576	5699	0	0

**Refuse removal:**

Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Service per HH per week	Value
			R'000			R'000
<b>2008/09</b>	1 083	1 per week	352	8 205	0	0
<b>2009/10</b>	1 292	1 per week	436	8 133	0	0

*Table 67: Free basic services to indigent households per type of service*

#### 4.3.4 ACCESS TO BASIC LEVEL OF SERVICES

The following table indicates the number of households that gained access for the first time to the different types of basic services during the 2009/10 financial year:

Type of service	2007/08	2008/09	2009/10
<b>Housing: Hillside</b>	144	454	0
<b>Housing: Merweville</b>	0	90	90
<b>Housing: Nelspoort</b>	0	216	216
<b>Water</b>	144	454	306
<b>Sanitation</b>	144	454	306
<b>Refuse removal</b>	144	454	306
<b>Electricity</b>	108	603	216
<b>Streets &amp; Storm Water</b>	144	454	306

*Table 68: Access to basic level of services*

#### A) CAPITAL BUDGET SPENT ON MUNICIPAL SERVICES

The percentage (%) of the total approved capital budget spent on each municipal service for the 2007/08, 2008/09 and 2009/10 financial years respectively are as follows:

Financial Year	Housing	Water	Sanitation	Refuse Removal	Electricity	Streets & Storm Water	Community facilities
	(%)	(%)	(%)	(%)	(%)	(%)	(%)
<b>2007/ 08</b>	182.8	122.6	298.3	0	491.9	126.6	137.2
<b>2008/ 09</b>	100.0	93.3	8.0	81.0	62.1	47.8	96.3
<b>2009/ 10</b>	100.0	110.7	110.6	100.0	37.9	58.2	72.9

*Table 69: Capex*



The following table indicates the total amount of capital expenditure on new assets by asset class for the past three financial years:

Description	2007/08	2008/09	2009/10		
	Actual	Actual	Original Budget	Adjustment Budget	Actual
<b><u>Capital expenditure on new assets by Asset Class/Sub-class</u></b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>	<b>R</b>
<b><u>Infrastructure</u></b>	<b>14 106 592</b>	<b>21 214 295</b>	<b>23 0293 00</b>	<b>36 197 370</b>	<b>36 197 370</b>
<b>Infrastructure - Road transport</b>	4 656 871	2 488 584	6 775 000	5 356 800	5 356 800
<i>Roads, Pavements &amp; Bridges</i>	3 733 787	0	6 775 000	5 356 800	5 356 800
<i>Storm water</i>	923 084	2 488 584	0	0	0
<b>Infrastructure - Electricity</b>	4 094 987	11 831 728	13 265 000	19 644 300	19 644 300
<i>Transmission &amp; Reticulation</i>	3 19 553	10 785 567	13 265 000	19 644 300	19 644 300
<i>Street Lighting</i>	375 434	1 046 161	0	0	0
<b>Infrastructure - Water</b>	2 077 553	1 217 808	2 944 300	6 384 900	6 384 900
<i>Water purification</i>	0	0	2 944 300	6 384 900	6 384 900
<i>Reticulation</i>	2 077 553	1 217 808	0	0	0
<b>Infrastructure - Sanitation</b>	2 887 702	533 806	0	4 705 370	4 705 370
<i>Reticulation</i>	2 869 086	533 806	0	0	0
<i>Sewerage purification</i>	18 616	0	0	4 705 370	4 705 370
<b>Infrastructure - Other</b>	389 479	5 142 369	45 000	106 000	106 000
<i>Other</i>	389 479	5 142 369	45 000	106 000	106 000
<b><u>Community</u></b>	<b>602 428</b>	<b>239 121</b>	<b>4 444 000</b>	<b>0</b>	<b>0</b>
Sports fields & stadia	169 347	239 121	0	0	0
Recreational facilities	433 081	0	0	0	0
Social rental housing	0	0	4 444 000	0	0
<b><u>Heritage assets</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Investment properties</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Capital expenditure on new assets by Asset Class/Sub-class</u></b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b><u>Other assets</u></b>	<b>2 769 306</b>	<b>2 617 452</b>	<b>1 529 193</b>	<b>2 185 229</b>	<b>2 185 229</b>
Plant & equipment	2 167 825	2 099 555	1 096 948	1 803 708	1 803 708
Computers - hardware/equipment	317 806	62 677	120 045	93 621	93 621
Furniture and other office	283 675	410 674	312 200	287 900	287 900



Description	2007/08	2008/09	2009/10		
	Actual	Actual	Original Budget	Adjustment Budget	Actual
equipment					
Other	0	44 546	0	0	0
<b>Agricultural assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Biological assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Intangibles</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Computers - software & programming	0	0	0	0	0
Other	0	0	0	0	0
<b>Total Capital Expenditure on new assets</b>	<b>17 478 326</b>	<b>24 070 868</b>	<b>29 002 493</b>	<b>0</b>	<b>38 382 599</b>
<b>Specialised vehicles</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

*Table 70: Total capital expenditure on new assets*

#### B) PERCENTAGE SPENDING ON TOTAL CAPITAL BUDGET

The total percentage (%) of the capital budget for the past three years is indicated in the table below:

Financial year	% of Capital budget spent	Reasons for under spending
<b>2007/ 08</b>	81	Expenditure in respect of low cost housing
<b>2008/ 09</b>	64	Expenditure in respect of low cost housing
<b>2009/ 10</b>	69	Unbundling of assets

*Table 71 Total capital expenditure*

#### C) SUMMARY OF BACKLOGS THAT MUST STILL BE ADDRESSED

The following backlogs exist in the municipal area that must still be addressed:

Area	Total nr of households affected	Timeframe to be addressed	Cost to address
			R'000
<b>Housing</b>	3 039	December 2015	182 340
<b>Water (on site)</b>	64	December 2010	320
<b>Sanitation</b>	85	December 2010	510
<b>Refuse removal (at least once a week at site)</b>	0	N/a	0
<b>Electricity (in house)</b>	0	N/a	0
<b>Streets and storm water</b>	1 916	December 2011	7 500

*Table 72: Backlogs*

#### 4.3.5 WATER AND SANITATION

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and power generation. Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems and domestic wastewater and sewerage disposal systems as a local government function. Basic water is defined as 25 liters of potable water per day supplied within 200 meters of a household.

##### A) WATER SERVICE DELIVERY LEVELS

Below is a table that specifies the different water service delivery levels per households for the financial years 2007/08, 2008/09 and 2009/10:

Description	2009/10
	Actual
<b>Households</b>	
<b><u>Water:</u> (above minimum level)</b>	
Piped water inside dwelling	8 319
Piped water inside yard (but not in dwelling)	1 000
Using public tap (within 200m from dwelling )	50
Other water supply (within 200m)	30
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>9 399</b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b>84</b>
<b><u>Water:</u> (below minimum level)</b>	
Using public tap (more than 200m from dwelling)	0
Other water supply (more than 200m from dwelling)	187
No water supply	0
<b><i>Below Minimum Service Level sub-total</i></b>	<b>187</b>
<b><i>Below Minimum Service Level Percentage</i></b>	<b>16</b>
<b>Total number of households (formal and informal)</b>	<b>9 586</b>

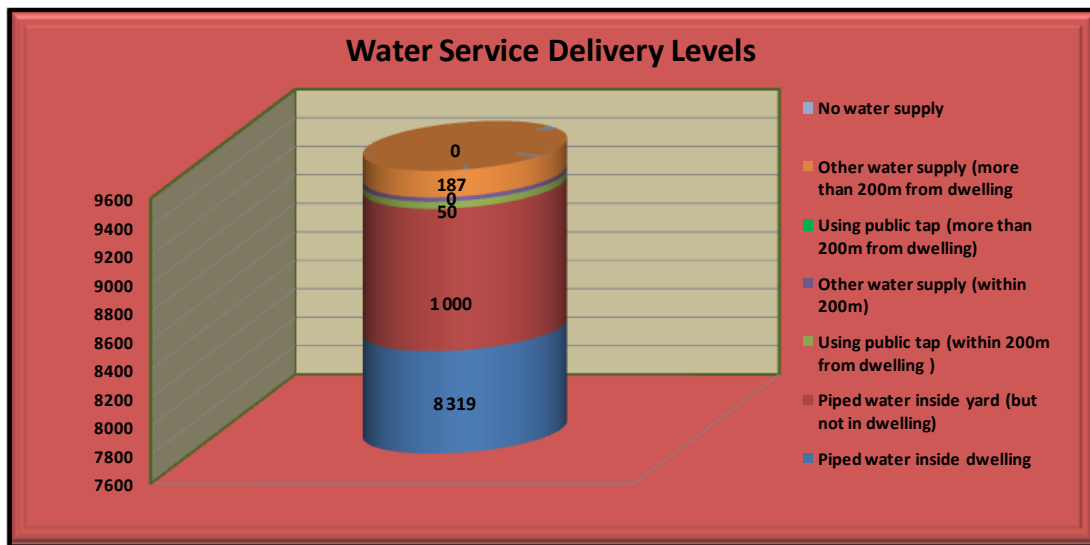
*Table 73: Water service delivery levels*

The graph below shows the different water service delivery levels per total households and the progress per year



*Graph 4: Water service delivery levels*

The graph below reflects the water service level below and above minimum standards.



*Graph 5: Water with minimum service level*

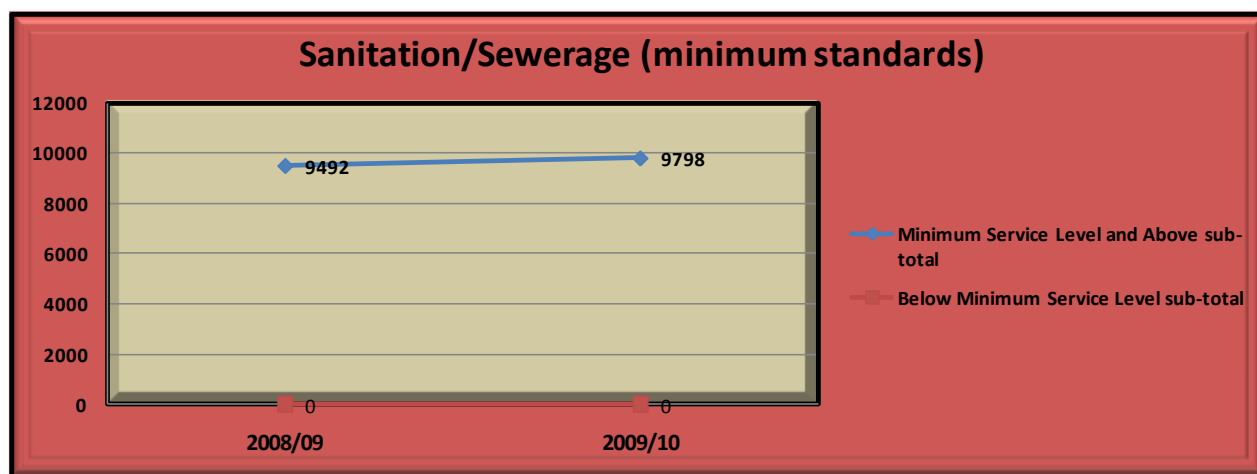
## B) SANITATION SERVICE DELIVERY LEVELS

Below is a table that specifies the different sanitation service delivery levels per households for the financial years 2008/09 and 2009/10:

Description	2008/09	2009/10
	Actual	Actual
<b>Households</b>		
<b><u>Sanitation/sewerage:</u> (above minimum level)</b>		
Flush toilet (connected to sewerage)	8 205	8 511
Flush toilet (with septic tank)	808	808
Chemical toilet	0	0
Pit toilet (ventilated)	10	10
Other toilet provisions (above minimum service level)	469	469
<b>Minimum Service Level and Above sub-total</b>	<b>9 492</b>	<b>9 798</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b><u>Sanitation/sewerage:</u> (below minimum level)</b>		
Bucket toilet	0	0
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total number of households</b>	<b>9 492</b>	<b>9 798</b>

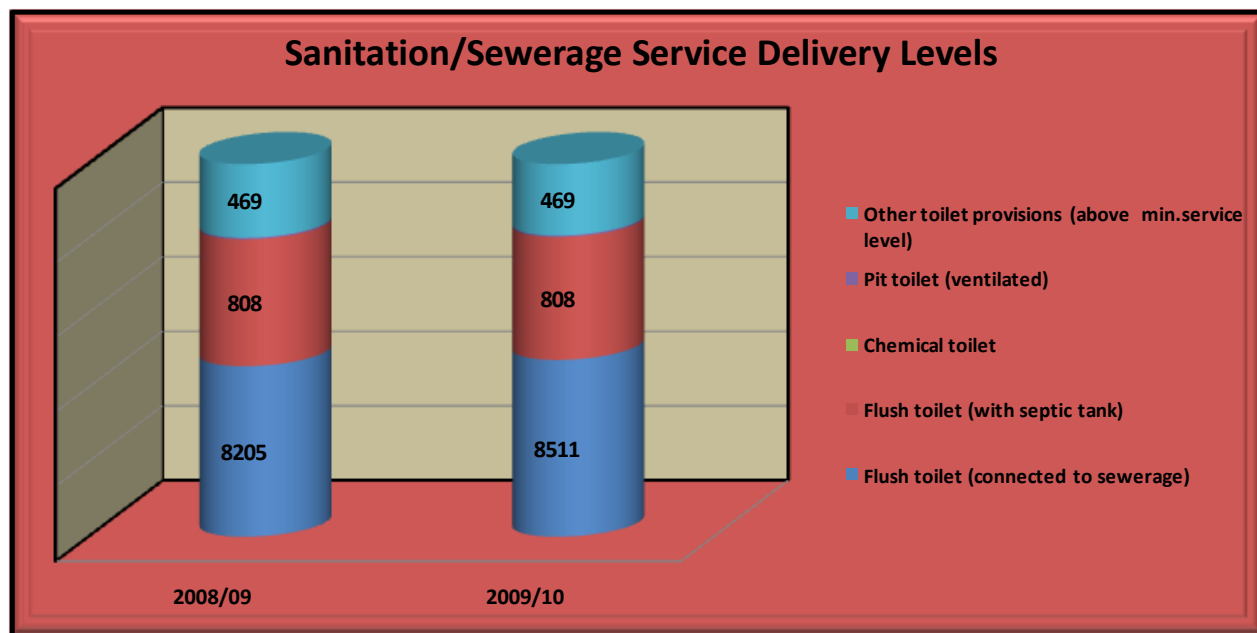
Table 74: Sanitation service delivery levels

The graph below shows the different sanitation/sewerage service delivery levels per total households and the progress per year.



Graph 6: Sanitation/Sewerage Service Delivery Levels

The graph below shows the total number of households which that are below and above minimum sanitation standards.



**Graph 7: Sanitation/Sewerage minimum standards**

In order to provide sustainable water in the Beaufort West area in the future, especially for the future of agriculture, it is important to plan for the use of designated water for household use. A water provision summit that will involve all role players will be hosted in the current financial year to collectively develop strategies for the future utilisation of water.

#### 4.3.6 ELECTRICITY

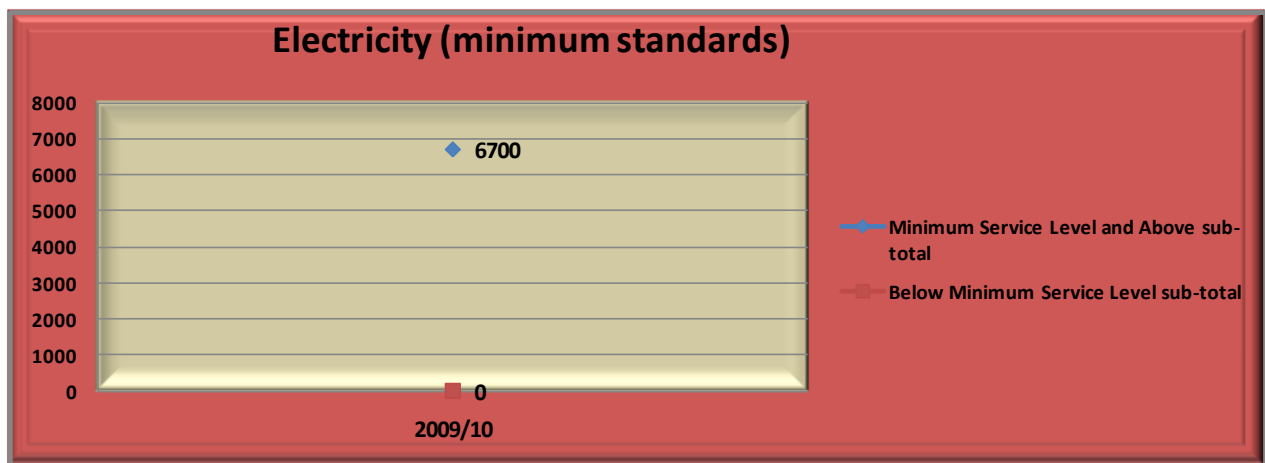
Local Government plays a very important role in the provision electricity. Section 153 of the Constitution places the responsibility on municipalities to ensure the provision of services to communities in a sustainable manner for economic and social support. The table below indicates the different service delivery level standards for electricity within the municipality:

Description	2009/10
	Actual
<b><u>Households</u></b>	
<b><u>Electricity: (above minimum level)</u></b>	
Electricity (at least minimum service level)	6 000
Electricity - prepaid (minimum service level)	700
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>6 700</b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b>100</b>
<b><u>Energy: (below minimum level)</u></b>	

Description	2009/10
	Actual
<b>Households</b>	
Electricity (< minimum service level)	
Electricity - prepaid (< min. service level)	
Other energy sources	
<b><i>Below Minimum Service Level sub-total</i></b>	<b>0</b>
<b><i>Below Minimum Service Level Percentage</i></b>	<b>0</b>
<b>Total number of households</b>	<b>6 700</b>

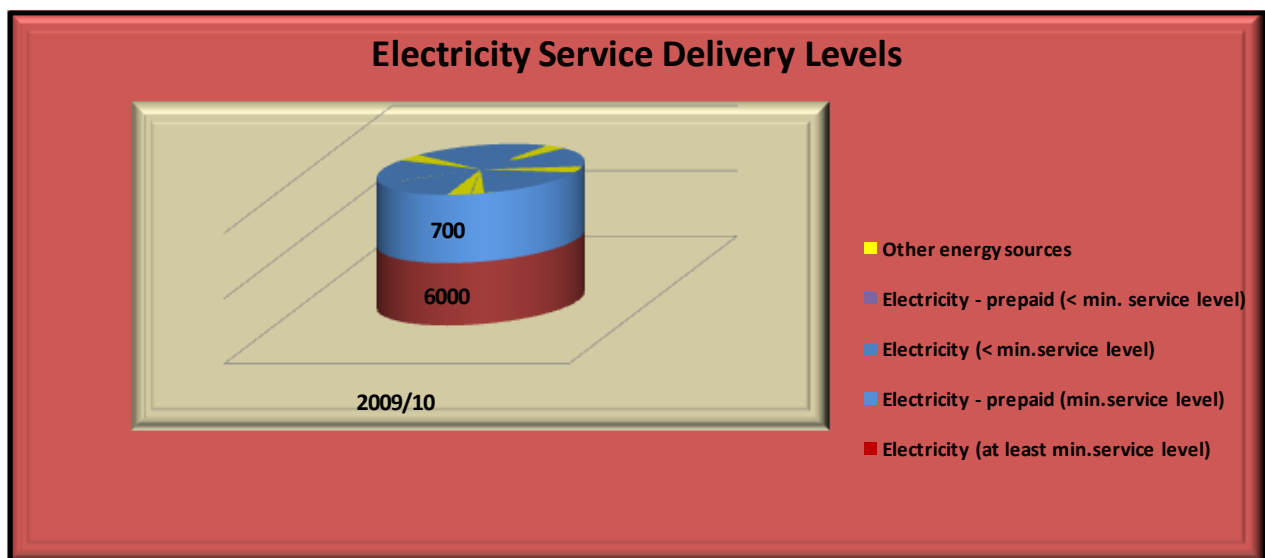
*Table 75: Electricity service delivery levels*

The graph shows the number of households categorised into the different service levels.



*Graph 8: Electricity Service Delivery Levels*

The graph below shows the amount of households that receive electricity above minimum electricity standards.



*Graph 9: Electricity levels above minimum standards*

#### 4.3.7 HOUSING

There are currently approximately **4 600** housing units on the waiting list. A total amount of **R 28,593 million** was allocated to build houses during the financial year under review. A summary of houses built, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
<b>2007/2008</b>	7 009	12 812	129	144	598
<b>2008/2009</b>	30 570	30 152	99	454	0
<b>2009/2010</b>	28 593	26 021	91 (Retention)	306	0

*Table 76: Housing*

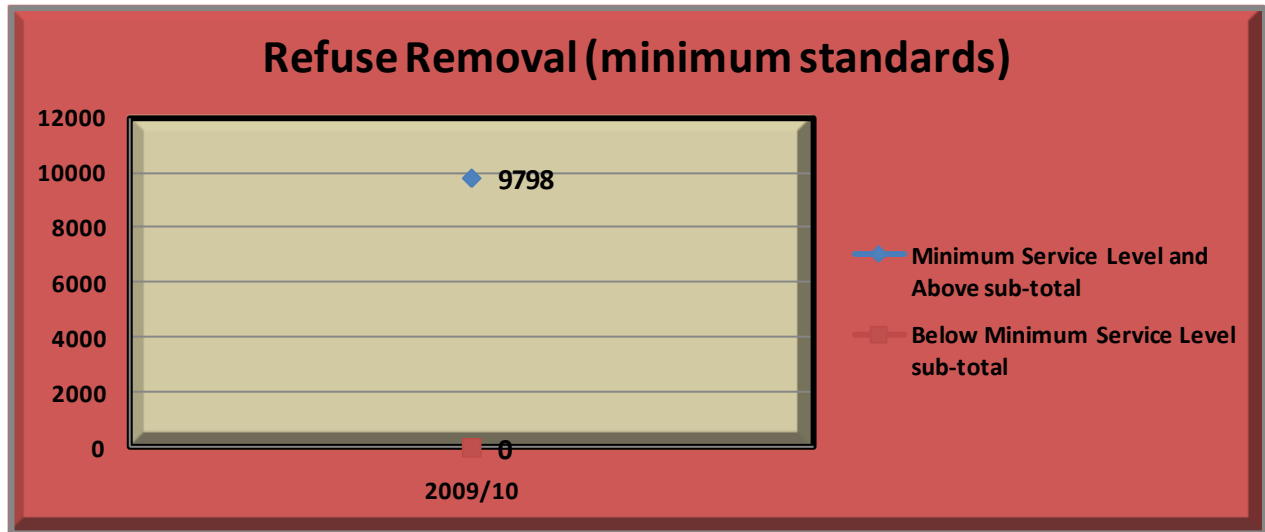
#### 4.3.8 REFUSE REMOVAL

The table below indicates the different refuse removal service delivery level standards within the municipality.

Description	2009/10
	Actual
<b><u>Households</u></b>	
<b><u>Refuse Removal: (Above minimum level)</u></b>	
Removed at least once a week	9 798
<b><i>Minimum Service Level and Above sub-total</i></b>	<b>9 798</b>
<b><i>Minimum Service Level and Above percentage</i></b>	<b>100</b>
<b><u>Refuse Removal: (Below minimum level)</u></b>	
Removed less frequently than once a week	0
Using communal refuse dump	0
Using own refuse dump	0
Other rubbish disposal	0
No rubbish disposal	0
<b><i>Below Minimum Service Level sub-total</i></b>	<b>0</b>
<b><i>Below Minimum Service Level percentage</i></b>	<b>0</b>
<b>Total number of households</b>	<b>9 798</b>

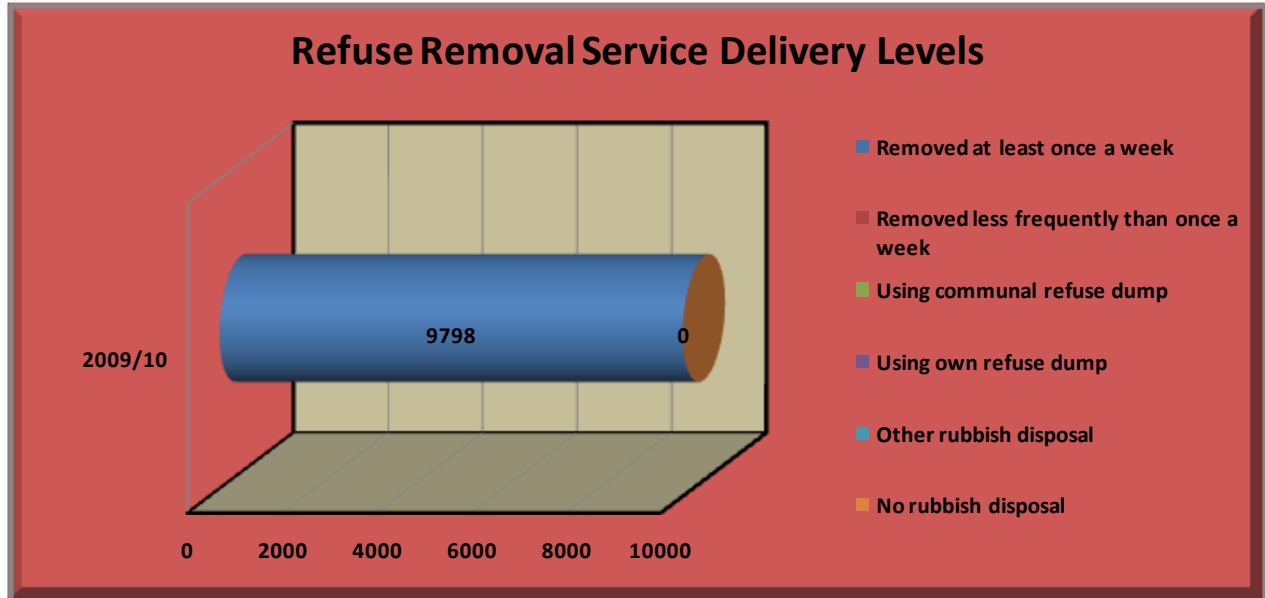
*Table 77: Refuse removal service delivery levels*

The graph indicates the different refuse removal standards which the households are receiving



*Graph 10: Refuse removal service delivery levels*

The graph below shows that all households within Beaufort West municipal area receive the minimum refuse removal standards



*Graph 11: Refuse removal levels above standards*



#### 4.3.9 ROADS

The following tables give an overview of the total kilometers of roads maintained and new roads tarred:

##### A) TARRED ROADS

Financial year	Total km tarred roads	Km of new tar roads	Km existing tar roads re-tarred	Km of existing tar roads re-sheeted	Km tar roads maintained
2009/10	94 037	0	0	0	94 037

*Table 78: Tarred roads*

##### B) GRAVELED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar	Km gravel roads graded/maintained
2009/10	59 231	4	0	59 231

*Table 79: Gravelled roads*

##### C) COST OF CONSTRUCTION/MAINTENANCE

The table below shows the costs involved for the maintenance and construction of roads within the municipal area.

Financial year	Gravel and Tarred		
	New R'000	Gravel to Tar R'000	Maintained R'000
2009/10	0	0	2 006

*Table 80: Cost of construction/maintenance of roads*

#### 4.3.10 STORMWATER

##### A) STORMWATER INFRASTRUCTURE

The table below shows the total kilometers of stormwater maintained and upgraded as well as the kilometers of new stormwater pipes installed:

Financial year	Total km Stormwater measures	Km new stormwater measures	Km stormwater measures upgraded	Km stormwater measures maintained
2007/08	98	0	0	61
2008/09	98	1	0	73
2009/10	99	0	0	75

*Table 81: Stormwater infrastructure*

B) COST OF CONSTRUCTION/MAINTENANCE

The table below indicates the amount of money spend on stormwater projects:

Financial year	Stormwater Measures		
	New R'000	Upgraded R'000	Maintained R'000
2009/10	0	1 069	Not kept separately

*Table 82: Cost of construction/maintenance of stormwater systems*

4.4 MUNICIPAL INFRASTRUCTURE AND OTHER GRANTS

The Municipality had a total amount of **R 63,966 million** for infrastructure and other projects available that was received in the form of grants from the National and Provincial Government during the 2009/10 financial year. The performance in the spending of these grants for the past three years is summarised as follows:

Description	2007/08		% spent	2008/09		% spent	2009/10		% spent
	Amount Received R'000	Amount Spent R'000		Amount Received R'000	Amount Spent R'000		Amount Received R'000	Amount Spent R'000	
National Government:									
Finance Management Grant	250	357	143	500	484	97	1 000	807	81
Water Services Development Plan	0	0	0	36	0	0	0	39	100
Water Meter Audit	0	0	0	90	0	0	0	0	0
Water asset registration survey	274	97	35	46	47	102	0	0	0
Municipal Systems Improvement Grant	734	759	103	735	453	62	735	1 533	209
License applications bore holes	0	0	0	24	0	0	56	80	143
EIA Nelspoort/Beaufort West	0	0	0	30	0	0	70	100	143
WTW Nelspoort/Beaufort West	0	0	0	45	0	0	75	120	160
Financial module water	0	0	0	24	3	13	56	0	0

Description	2007/08		% spent	2008/09		% spent	2009/10		% spent
	Amount Received R'000	Amount Spent R'000		Amount Received R'000	Amount Spent R'000		Amount Received R'000	Amount Spent R'000	
tariffs									
Stormwater master plan	0	0	0	72	0	0	0	0	0
132/22 KV Substation	0	0	0	10 000	8 913	89	4 456	3 986	89
Bulk water	0	0	0	60	0	0	0	60	100
Electrification Central Karoo	0	0	0	9 550	2 248	24	17 030	16 307	96
Electrification Nelspoort Dwellings	0	0	0	0	0	0	1 800	1 666	93
Electrification Hillside/ Rustdene houses	2 220	2 425	109	0	0	0	0	0	0
Skills training	58	48	83	0	0	0	0	17	0
Fencing pig stables	120	87	73	0	0	0	0	0	0
Water & sanitation survey	15	0	0	0	0	0	0	0	0
Development of Aquifers	671	630	94	310	74	24	0	0	0
Stormwater N1	367	239	65	399	807	202	1 660	1 069	64
Lighting Kwa Mandlenkosi road	0	0	0	500	504	101	0	0	0
Bulk water	0	0	0	1 552	1 117	72	5 199	5243	101
Lighting Gamka River	0	0	0	250	237	95	0	18	0
External stormwater Nelspoort	0	0	0	170	630	371	680	585	86
Telemetry	0	0	0	232	232	100	633	633	100
Project Management Unit	0	0	0	18	30	167	49	112	229
High Mass Lights De Lande	0	0	0	0	0	0	610	783	128
High Mass Lights Hillside	750	272	36	0	587	0	0	4	0

Description	2007/08		% spent	2008/09		% spent	2009/10		% spent
	Amount Received R'000	Amount Spent R'000		Amount Received R'000	Amount Spent R'000		Amount Received R'000	Amount Spent R'000	
Electricity masterplan	63	55	87	0	8	0	0	0	0
PTIP	164	0	0	0	0	0	0	164	0
Water filter system	80	80	100	0	0	0	0	0	0
<b>Provincial Government:</b>									
Community development workers	180	120	67	240	195	81	240	169	70
Housing Consumer Education Programme	150	84	56	120	108	90	100	23	23
Hillside housing	17 451	16 800	96	30 312	31 367	103	0	0	0
PTIP	0	0	0	5 000	542	11	0	1 570	0
Public Library Services	151	150	99	238	238	100	357	328	92
Repairing of damaged houses	0	0	0	244	464	190	0	0	0
216 Dwellings Nelspoort	0	0	0	788	605	77	18 984	18 912	100
Existing houses Nelspoort	0	0	0	1 293	25	2	0	0	0
90 Dwellings Merweville	0	0	0	361	139	39	6 680	7 079	106
Internships	0	0	0	310	196	63	0	18	0
Soup kitchen	261	30	11	0	220	0	400	354	89
Upgrading electricity network Nelspoort	82	123	150	0	23	0	0	174	0
Upgrading Nelspoort civil services	207	316	153	0	36	0	0	0	0
Multipurpose centre operational expenditure	140	70	50	0	65	0	0	15	0
<b>District Municipality:</b>									
Sewerage	0	0	0	61	61	0	0	0	0

Description	2007/08		% spent	2008/09		% spent	2009/10		% spent
	Amount Received R'000	Amount Spent R'000		Amount Received R'000	Amount Spent R'000		Amount Received R'000	Amount Spent R'000	
Merweville									
<b>Other grant providers:</b>									
Electrification Koup ESKOM	0	0	0	1 350	1 166	86	0	0	0
Electrification Koup Farmers	70	0	0	605	500	83	0	0	0
Beneficiaries Merweville Housing	0	0	0	15	0	0	12	5	42
Existing houses Nelspoort	0	0	0	339	0	0	495	21	4
Beneficiaries Nelspoort housing	0	0	0	5	0	0	35	0	0
Electricity Central karoo - ESKOM	0	0	0	0	0	0	873	0	0
Electricity Central karoo - Farmers	0	0	0	0	0	0	1331	1 054	79
Capacity Building - DBSA	495	495	100	0	0	0	322	322	100
Marathon	0	0	0	0	0	0	28	28	100
Electrification Multipurpose Centre	647	424	66	0	3	0	0	332	0
Pre-paid Water Meters - ASLA	38	0	0	0	0	0	0	38	0
Electricity installation Beaufort West Mall	1144	1144	100	0	0	0	0	0	0
Electricity Hillside/ Rustdene dwellings ASLA	469	21	4	0	448	0	0	0	0
<b>Total</b>	<b>27 251</b>	<b>24 826</b>	<b>91</b>	<b>65 924</b>	<b>52 775</b>	<b>80</b>	<b>63 966</b>	<b>63 768</b>	<b>100</b>

*Table 83: Grants*

## 4.5 LED

### 4.5.1 LED STRATEGY

The LED Strategy was reviewed within the 2009/10 financial year but not yet approved. The LED forum is established but not functional.

The sectors that are contributing the most to the town's economy are transport and communication (25,3%), wholesale and retail trade (16,8%), general government services (14,4%), manufacturing (10,9%) and agriculture (7,7%). The ability of the local economy to create jobs is limited and is reflected in the current high unemployment figure of 35,5% compared to the provincial unemployment rate of 15,9 percent, this situation is further aggravated by the inability of the current markets to pay living wages i.e. household income is estimated at R 850 pm – R 1500 pm

The high unemployment coupled with the low skills level of the labour force have been identified as of critical importance at the regional growth and development summit that was held for the district during March 2007. Local government, therefore, also has to play a role in the development of skills of the local labour force. The challenge for the Beaufort West Municipality is therefore not only to grow the economy and tax base, but to also develop skills so that the jobs that are created through the growing economy can be taken up by the local unemployed residents.

The Beaufort West Municipality have an approved Local Economic Development strategy that was compiled during a comprehensive and transparent formulation process. However this plan has not been reviewed in three years, making it very difficult to measure progress and challenges. A senior official in top management is responsible for economic development and implementation, which is challenging due to limited resources and capacity. The IDP Manager oversees the LED plan and resides within the office of the Municipal Manager.

### 4.5.2 LED INITIATIVES

The table below identifies the details of the various LED initiatives in the municipal area:

Description of project	No of Jobs created	Total Investment R'000	Amount spent to date R'000
Minor civil works, cleansing of storm water systems, etc. Use local unemployed	559	269	269
Storm water canal next to N1	8	3 000	585
Bulk Water: Pipeline, boreholes, etc	78	6 958	6 958

Description of project	No of Jobs created	Total Investment R'000	Amount spent to date R'000
External Storm water system Nelspoort	139	1 000	585
Housing Nelspoort	25	20 183	18 912
Housing Merweville	376	8 410	7 110
PTIP: Traffic calming, etc	75	5 000	1 418

**Table 84: LED initiatives**

#### 4.5.3 CHALLENGES: LED

Priority area	Description	Actions to address
Sustainable job creation	High unemployment in the area	LED workshop to determine actions; establishment of new employment opportunities
	Outdated LED strategy	Review LED strategy
	No alignment with district LED strategy	Alignment of LED strategy with district strategy

**Table 85: Challenges LED**

## CHAPTER 5

# FUNCTIONAL PERFORMANCE





## CHAPTER 5: FUNCTIONAL PERFORMANCE

The functional performance of the municipality provides comprehensive information on the implementation of the SDBIP and relevant Functional Area reporting schedules.

The functional breakdown per Directorate is as follows:

Department	Functions
<b>Council and Executive</b>	Council; Municipal Manager; IDP; Internal Audit
<b>Corporate Services</b>	Administration; Human Resources; Libraries
<b>Financial Services</b>	Budget Office; Expenditure; Income; Information Technology; Supply Chain Management; Stores
<b>Community Services</b>	Environmental Services; Housing; Public Safety; Solid Waste; Traffic Services
<b>Engineering Services</b>	Building Control; Fleet Management; Municipal Buildings; Planning and Development; Road works & Stormwater; Sewerage Reticulation; Sport and Recreation; Waste Water Management; Water Purification; Water Reticulation; Cemeteries
<b>Electro Technical Services</b>	Reticulation-High Voltage; Reticulation-Low Voltage

*Table 86: Functional breakdown*

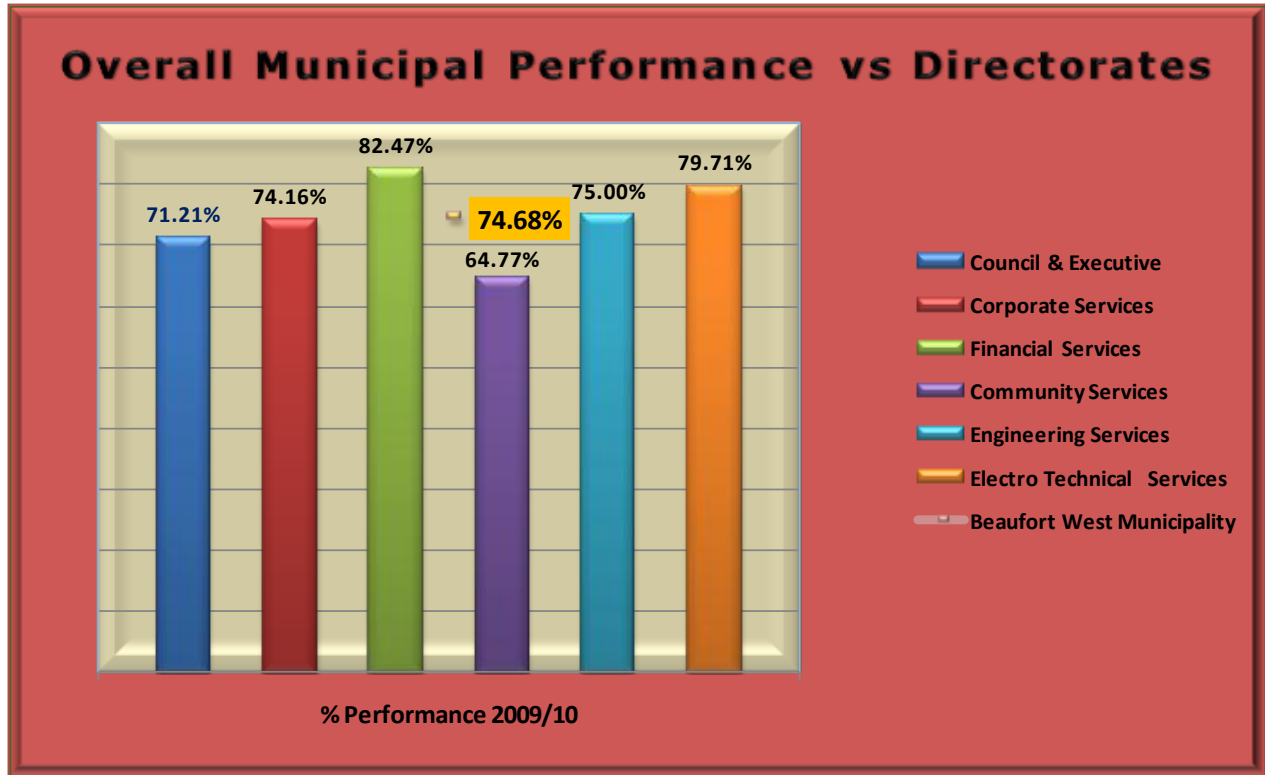
### 5.1 OVERVIEW OF PERFORMANCE

The performances of the different directorates are shown in the table below. These performances include the alignment of Key Performance Indicators with the IDP objectives, National KPA's and Municipal KPA's. It includes the specific performances of sub directorates.

Directorates	Total KPIs	KPIs met	KPIs almost met	KPIs not met	Performance 2009/10
<b>Council &amp; Executive</b>	66	48	6	12	<b>72.73%</b>
<b>Corporate Services</b>	89	67	7	15	<b>75.28%</b>
<b>Financial Services</b>	97	81	12	4	<b>83.51%</b>
<b>Community Services</b>	88	57	5	26	<b>64.77%</b>
<b>Engineering Services</b>	132	99	13	20	<b>75.00%</b>
<b>Electro Technical Services</b>	69	55	3	11	<b>79.71%</b>
<b>Total</b>	<b>541</b>	<b>407</b>	<b>46</b>	<b>88</b>	<b>75.23%</b>

*Table 87: Summary of total performance*

The following graph indicates the performance of the various directorates in relation to the total municipal performance



*Graph 12: Overall performance of directorates*

## 5.2 PERFORMANCE HIGHLIGHTS PER FUNCTIONAL AREAS

Directorate/ Functional area	Division	Highlights 2009/10
<b>Municipal Manager</b>	All	Anti corruption workshops held in community
		Communication strategy approved
		Effective utilization of community radio
<b>Corporate Services</b>	All	Complete all job descriptions for implementation of TASK 1 July 2010
		Establishment of Employment Equity Committee
		Establishment of Fire Brigade section - 12 posts filled
		Successful implementation of intern program
<b>Financial Services</b>	All	Unqualified audit report for 2008/09
<b>Community Services</b>	Housing	Completion of Nelspoort and Merweville housing projects
		Secured funding commitment for People Housing Project in Merweville
	Public Safety	Established 24-hour fire fighting service with the establishment of a Fire Brigade

Directorate/ Functional area	Division	Highlights 2009/10
		section with 12 trained fire fighters
		Assisted unemployed matrics pupils to obtain their learners licenses
		Trained 17 unemployed youth - attended a Traffic Officers course and 6 are employed as traffic reservist on a 1 year contract
	Waste Management	Secured MIG funding for material recovery facility
		Provided refuse bins at low cost to residents
<b>Engineering Services</b>	All	Obtained blue drop status for water
		Completed development of Hans River aquifer
		Completion of 216 houses in Nelspoort and 90 in Merweville
<b>Electro Technical Services</b>	All	Electrification of 216 houses in Nelspoort
		Erected 4 High mast lights in De Lande
		Establishment of substation
		Electrification of Central Karoo farm workers houses (Wolwekraal Scheme, Traka Scheme, Zoetvlei Scheme, Springfontein, Esselsfontein, La De Da

**Table 88: Performance highlights per functional area**

### 5.3 PERFORMANCE PER FUNCTIONAL AREA

#### A) COUNCIL AND EXECUTIVE

National. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Municipal Manager										
Municipal Transformation and Institutional Development	Institutional Development	Better relationship need to be build between the audit committee and council	Dictaphone	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Completion of annual report	Annual report submitted within prescribed time frames	All	1	Annual Report by due date	100%	100%	G
Good Governance and Public Participation	Social Development	Poor communication	Communication strategy develop and training	Draft communication strategy submitted to council	All	1	By Dec 09	100%	80%	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	93%	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	95%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Disciplinary actions to be completed swiftly	% Disciplinary actions completed within 30 days	All	95%	% within required timeframe	95%	80%	O

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National. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ensure proper procurement practices	No of successful appeals against municipality on the awarding of tenders.	All	0%	% of successful appeals	0%	0%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	35% decrease in bank overdraft	Positive bank balance	All	95%	10-Jun	95%	70%	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Annual municipal budget and adjustment estimates	Submit to the mayor a statement of the municipality's budget	All	2	Within required time frames	2	2	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Annual municipal budget and adjustment estimates	6 monthly review to determine adjustments budget	All	1	10-Jan	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Annual municipal budget and adjustment estimates	Annual budget approved and monitoring of implementation	All	100%	10-May	100%	100%	G
Good Governance and Public Participation	Social Development	Performance management	Performance contracts submitted	Performance contracts submitted within 1 month after beginning of the financial year	All	100%	Contracts submitted to prov treasury and DPLG by end July	100%	100%	G
Good Governance and Public Participation	Social Development	Performance management	Managing of effective performance management system	Quarterly reports to council	All	95%	Ongoing	95%	80%	O
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Ensuring disciplinary Hearings within 14 Days.	Hearings within prescribed timeframe	All	95%	Ongoing	95%	90%	O
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Development of human resources	Guidance and support provided to staff measured by complaints	All	80%	Ongoing	80%	90%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Implementation of Council resolutions	Items implemented within required timeframe	All	95%	% within required timeframe	95%	95%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Liaison with Leadership team on a weekly basis	Meetings with management team per month	All	36	Weekly	36%	70%	G
Good Governance and Public Participation	Social Development	Public participation and communication	Sustainable management of IGR over a wide spectrum to enhance integrated development planning	100% of attendance by applicable snr manager	All	10	Monthly	10	10	G
Good Governance and Public Participation	Social Development	No matching objective	Preparation and submission of SDBIP 2009/10	Submit SDBIP within 28 days after budget approval to mayor	All	1	28 days after budget approval	1	1	G
Good Governance and Public Participation	Social Development	Public participation and communication	Distribution of municipal newsletters	At least 3 newsletters distributed annually - one	All	3	One every fourth month	3	0	R

National. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
				every fourth month						
Good Governance and Public Participation	Social Development	Public participation and communication	Development, implementation and Monitoring of an effective communication system	100% effective system	All	80%	% within required timeframe	80%	90%	G
Good Governance and Public Participation	Social Development	Public participation and communication	Arrange press meetings and - interviews for the Mayor	% Arrangements within 3 hours	All	95%	% within required timeframe	95%	100%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Advise the Speaker on procedures followed & investigations on alleged breach of the CoC for Councillors	% Advise within 24 hours	All	95%	% within required timeframe	95%	100%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Advise to all Councillors about legislative requirements when queries are received	% advise within 24 hours	All	95%	% within required timeframe	95%	100%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Resolutions taken by the Executive Mayor comply with legislative requirements	% Support and advice within 24 hours	All	95%	% within required timeframe	95%	100%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Verbal complaints received by the Mayor and full-time Councillors are attended to	Attend to complaints: % within 3 days	All	95%	% within required timeframe	95%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	To submit the municipal draft & final annual report to Council (Dir:Finance to co-ordinate compilation)	Within the required timeframes - Draft en Jan 10, Final end Feb 10	All	2	2 reports, 1 draft, 1 final	2	2	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit reports	% of internal audit queries rectified within 6 months	All	80%	% rectified within 6 months	80%	80%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	2009/10 SDBIP reporting to council	Timeous reporting to Mayor before due dates	All	4	Quarterly	4	4	G
<b>Council</b>										
Municipal Financial Viability and Management	Financial Viability	To ensure compliance with the MFMA	Effective expenditure and revenue management	Monitoring of revenue and expenditure and decisions on remedial steps if necessary	All	12	Monthly	12	12	G
Municipal Financial Viability and Management	Financial Viability	To ensure compliance with the MFMA	Strategic and sustainable budgeting	2009/10 Revised budget approved before the legislative deadline	All	1	10-Jan	1	1	G
Municipal Financial Viability	Financial Viability	To ensure compliance with the MFMA	Strategic and sustainable	2010/11 Budget approved before	All	1	10-May	1	1	G

National. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
and Management			budgeting	the legislative deadline						
Municipal Financial Viability and Management	Financial Viability	Performance management	SDBIP approval and reviews	SDBIP approved within 28 days after budget	All	1	10-Jun	1	1	G
Good Governance and Public Participation	Social Development	Performance management	Performance Framework adherence	MM performance contract approved	All	1	09-Jul	1	1	G
Good Governance and Public Participation	Social Development	Performance management	Performance Framework adherence	Performance reviews completed	All	4	Quarterly	4	4	G
Good Governance and Public Participation	Social Development	Performance management	Performance Framework adherence	Performance Committee appointed and trained	All	1	10-Mar	1	1	G
Good Governance and Public Participation	Social Development	Performance management	Reporting of the 2007/08 performance	Annual Report approved	All	1	10-Mar	1	1	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Councillor Training plan	Assessment and drafting of plan	All	1	10-Apr	1	1	G
Good Governance and Public Participation	Social Development	Municipal Strategy	Strategic planning session and approval of annual municipal strategy	IDP approved	All	1	10-Feb	1	1	G
Good Governance and Public Participation	Social Development	Municipal Strategy	Strategic planning session and approval of annual municipal strategy	Strategy session attended to determine municipal strategies	All	1	09-Sep	1	1	G
Good Governance and Public Participation	Social Development	Public participation and communication	Ward Committee Meetings	Attendance at regular ward committee meetings by respective councillors	All	28	Monthly	28	28	G
Good Governance and Public Participation	Social Development	Public participation and communication	Executive Mayoral Committee Meetings	EMC meetings held	All	10	Monthly	10	10	G
Good Governance and Public Participation	Social Development	Public participation and communication	Special Council Meetings	Attendance of meetings at least 80%	All	80%	Ad hoc	80%	80%	G
Good Governance and Public Participation	Social Development	Public participation and communication	Council Meetings	Council meetings held	All	4	Quarterly	4	4	G
Internal Audit										
Good Governance and Public Participation	Social Development	Role Audit committee	Training for audit committee members	Arrange training session for audit committee members	All	1	Training session	1	1	G
Municipal Transformation and Institutional Development	Institutional Development	Better relationships need to be build with depts to ensure that needs of departments are adhered to	Annual planning sessions between HODs & Internal auditor & develop an annual	Annual Planning session to determine needs and annual internal audit plan	All	100%	1 session to determine plan	100%	100%	G

National. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
			planning programme.							
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Monthly cash inspections (10 cash points)	Number of actual cash points visited per month / total no of cash points	All	60%	Planned Annual average % of cash points visited	60%	0	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Monitoring the correct procurement processes	Months during which no successful appeals regarding the awarding of tenders were won against the municipality	All	12	Planned no of months for which procurement processes were correct	12	12	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Quarterly review of SDBIP reports	Review of SDBIP report accuracy quarterly	All	4	No of reports to be submitted throughout year	1	0	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Annual reporting i.t.o. MFMA	Report submitted to MM during July-September	All	1	No of reports to be submitted throughout year	100%	0	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation Risk based Audit Plan	% of monthly targets (in terms of RBAP) met (No of targets for month met / total no of targets for month)	All	80%	Average monthly RBAP targets implemented	80%	0	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Completion of Risk based Audit Plan	Compilation of plan within set time frame (30 June 2010)	All	1	No of RBAP to be compiled/ reviewed during year	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Proper administrative management of audit committee	Agendas for quarterly meetings distributed 7 (working) days prior to meetings (50%) / minutes distributed to members within 7 days after meeting (50%)	All	4	No of meetings to be correctly administered throughout year	4	2	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Quarterly reporting to audit committee	Quarterly audit report (acc. To professional specifications) submitted to committee	All	4	No of reports to be submitted throughout year	1	0	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ensure all correspondence to the IA Segment are finalised after receipt from the Registration office.	Within 10 working days after receipt	All	95%	% of correspondence. finalised within 5 working days	95%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ad-hoc instructions from the Municipal Manager finalised and report issued	No of successful investigations	All	100%	% of ad hoc reports issued within 5 working days	100%	100%	G

National. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance	
								Target	Actual
			within 5 working days.						



IDP										
Good Governance and Public Participation	Social Development	Public participation and communication	Formulation of youth development strategy	Strategy developed and approved	All	100%	% completed	100%	90%	O
Good Governance and Public Participation	Social Development	Public participation and communication	No of community participation events	Amount of actual meetings as % of meetings planned in process plan	All	7	Planned no of Meetings	7	7	G
Local Economic Development	Economic Development	Public participation and communication	Managing the drafting and review process of a LED Strategy	Revised LED strategy	All	1	10-Jun	100%	60%	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Compliance with the AG Requirements	% of Auditor General requirements w.r.t. IDP and Annual plans met	All	100%	Requirements met i.t.o. Management letter issued	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Credible IDP Submitted to WCPG	% Rating i.t.o. Provincial IDP Assessment	All	100%	% Achieved i.t.o. Provincial rating	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Compliance with the AG Requirements	% of Auditor General requirements w.r.t. PMS met	All	100%	Requirements met i.t.o. Management letter issued	100%	100%	G
Good Governance and Public Participation	Social Development	Public participation and communication	Draft IDP for approval by Council	Revised IDP	All	100%	% completed IDP	100%	40%	R
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Ensure all correspondence to IDP & LED Segments are finalised after receipt from Registration office.	Within 10 working days after receipt	All	100%	% of correspondence finalised within 5 working days	100%	100%	G
Good Governance and Public Participation	Social Development	Public participation and communication	Clear linkage between the budget and the IDP	% of Municipalities capital budget spent on projects in terms of the IDP	All	100%	As defined in 2001 regulations by Feb	100%	100%	G
Good Governance and Public Participation	Social Development	Public participation and communication	Submit process plan for IDP review process to Mayoral Committee	Process plan completed by set date = 1	All	1	Process Plan at 31 Jul	100%	70%	R

**Table 89: KPI Performance: Council & Executive**

B) CORPORATE SERVICES

Nat. KPA	Municipal. KPA	Objective /Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Director: Corporate Services										
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Effective functioning of the Local Labour Forum as per collective agreement.	%95 attendance by all role-players	All	95%	Ongoing	95%	95%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Disciplinary actions to be completed swiftly	% Disciplinary actions completed within 30 days	All	95%	% within required timeframe	95%	71%	R
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Labour relations liaison	Actual LLF meetings/ divide by annual planned LLF meetings	All	10	no of LLF meetings planned for year	10	4	
Basic Service Delivery	Social Development	Internet system - Church street library	Obtain commitment from PAWC to provide for internet at library	Obtain approval from PAWC for internet at church Street Library	All	100%	% of target achieved	100%	50%	R
Municipal Transformation and Institutional Development	Institutional Development	To have a security - Mimosa Library.	Investigation for the appointment of security guard at Mimosa	Investigation and obtain approval	All	100%	% of target achieved	100%	50%	R
Municipal Transformation and Institutional Development	Institutional Development	To reduce the loose of books by installing a tattle tape system - Mimosa Library.	Obtain approval from PAWC for the installation of the tattle tape system	Obtain approval from PAWC for installation of tattle tape system for Mimosa library	All	100%	% of target achieved	100%	50%	R
Municipal Transformation and Institutional Development	Institutional Development	Confidentiality agreements	Confidently agreement signed by councillors, snr management & staff with access to confidential info.	Signed confidentiality agreements	All	100%	% within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Flow of documents	Finalisation of service level agreements between different departments	Finalised SLA's	All	100%	% within required timeframe	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	To co-ordinate the annually reporting process of the municipality submission of draft & final report to the MM	Within the required timeframes - Draft en Jan 10, Final end Feb 10	All	2	2 reports, 1 draft, 1 final	2	2	
Municipal Transformation and Institutional Development	Institutional Development	Public participation and communication	Development of access to information policy	Develop policy in 1st quarter	All	100%	Policy developed	100%	80%	O
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Distribution of all incoming post to other directorates of the municipality within 8 hours after receipt	% Incoming post distributed within 8 hours after receipt	All	95%	% within required timeframe	95%	95%	G

Nat. KPA	Municipal. KPA	Objective /Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Valuation court proceedings to ensure validation of roll by set date	Valuation certified and approved in line with process by set time = 1	All	1	Certification of roll in line with prescribed process	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Advertising of valuation rolls and administration of valuation board affairs.	100% maintained valuation system	All	100%	% within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Skills Development	# of targeted individuals trained	All	100%	Monthly	100%	83%	O
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Implementation of Council resolutions	Items implemented within required timeframe	All	100%	% delivered within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Liaison with Leadership	Meetings with management team per month	All	24	Weekly	24	22	O
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Management of audit queries	% of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Achievement of employment equity targets	% of employment equity targets of positions filled achieved	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Assignments from municipal manager	Reasonable assignment implemented within required timeframes	All	100%	% of assignments addressed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ensure proper procurement practices	No of successful appeals against municipality on the awarding of tenders.	All	0%	% of successful appeals	0%	0%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of Annual Report information	Departmental Report submitted by 31 November	All	100%	08-Nov	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit reports	% of internal audit queries rectified within 6 months	All	80%	% rectified	80%	80%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	SDBIP reporting to council	Timeous reporting to MM before due dates	All	100%	% completed by due dates	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	18	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by November	All	1	Nov '09	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G

Nat. KPA	Municipal. KPA	Objective /Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	80%	G
Administration										
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Cabinets Filing (Speaker)	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Computers X 2	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Steel Shelving	% of project completed	All	100%	100% completed	100%	0	R
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Server (E- Mail)	% of project completed	All	100%	100% completed	100%	100%	G
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Attending to any complaints regarding neatness of corporate buildings	% of problems attended to within 2 working days	All	90%	% of problems attended to within 2 working days	90%	90%	G
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Quarterly IT meetings (except Finance network)	quarterly meetings held	All	4	# quarterly meetings held	4	7	G
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Network availability & maintenance of web page (except Finance network)	98% network availability	All	98%	% availability	98%	98%	G
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Software licensing audit (except Finance network)	Annual audit	All	100%	% audit completed	100%	100%	G
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Attending to hardware, software and network problems (PC's & Mainframes) (except Finance network)	% of problems solved within 2 working days	All	98%	% of problems solved within 2 working days	98%	98%	G
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Back-up of all systems and databases (except Finance network)	Daily, Weekly and monthly back-up	All	100%	% of successful back-ups	100%	100%	G
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Ensure a virus free environment (except Finance network)	Viruses Reported attended to	All	100%	% Viruses reported addressed	100%	100%	G
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Network support services: extent of network (except Finance network)	% of problems solved within 2 working days	All	98%	% of problems solved within 2 working days	98%	99%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	80%	G
Good Governance and Public Participation	Good Governance and Public	Coordinated and effective administration	Effectiveness of committee service	Council minutes accepted as being correct /	All	95%	Planned % of Council minutes	95%	95%	G

Nat. KPA	Municipal. KPA	Objective /Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
	Participation			Council meetings per month			accepted as correct			
Good Governance and Public Participation	Good Governance and Public Participation	Coordinated and effective administration	Effectiveness of committee service	EMC minutes accepted as being correct / EMC meetings per month	All	95%	Planned % of EMC minutes accepted as correct	95%	95%	G
Good Governance and Public Participation	Good Governance and Public Participation	Public participation and communication	Timely compilation and distribution of minutes for Executive Mayoral meetings	% Minutes distributed within 7 days after meetings	All	100%	% within required timeframe	100%	100%	G
Good Governance and Public Participation	Good Governance and Public Participation	Public participation and communication	Timely compilation and distribution of Minutes for or all full Council and Committee Meetings	% Minutes distributed within 7 days after meetings	All	100%	% within required timeframe	100%	100%	G
Good Governance and Public Participation	Good Governance and Public Participation	Public participation and communication	Timely compilation and distribution of Agendas for Executive Mayoral meetings	% Agendas distributed within 4 days prior to meetings	All	100%	% within required timeframe	100%	99%	O
Basic Service Delivery	Social Development	Ensure compliance with the MFMA & ATR Regulations	The effective lease and or sale and transfer of council's commercial properties to approved buyers.	% of properties transferred	All	95%	% within required timeframe	95%	95%	G
Basic Service Delivery	Social Development	Transfer of housing to low income earners	The effective referral of council's low cost housing properties to approved beneficiaries.	% of properties referred within 30 days subject to all documentation received	All	95%	% within required timeframe	95%	100%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Maintenance of an effective record and registry system.	% maintained record and registry system	All	100%	% maintained	100%	100%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Annual review of all organisational systems policies and manuals & instructions put in place.	% maintained policy systems, bylaws, agreements, delegations manual	All	95%	% maintained	95%	95%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Insertion of amendment pages in Statute Books [100%].	% maintained statute books	All	100%	Quarterly	100%	100%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Recordkeeping and availability of applicable legislation.	% legislation available	All	100%	% available	100%	100%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Securities programme – Input and filing of all contracts/ agreements [100%].	% maintained securities programme	All	95%	% maintained	95%	95%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Obtain Disposal Authority for all closed filing systems	Authority requested annually	All	100%	By 28 Feb	100%	100%	G

Nat. KPA	Municipal. KPA	Objective /Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Ensure all correspondence to the IA Segment are finalised after receipt from the Registration office.	% Incoming post receives attention within 10 working days	All	95%	% within required timeframe	95%	98%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	Timely compilation and distribution of Agendas for all Council and Committee Meetings	% Agendas distributed within 4 days prior to meetings	All	95%	% within required timeframe	95%	99%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	All Council Resolutions to be executed within 30 days	% resolutions executed and/or attended to within 30 days	All	90%	% within required timeframe	95%	98%	G
Good Governance and Public Participation	Social Development	Coordinated and effective administration	All Council Resolutions to be delivered to different Directorates within 8 days	% resolutions delivered within 8 days	All	100%	% within required timeframe	100%	99%	O
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	12	Monthly	12	12	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by November when requested	All	1	Nov '09	1	1	G
<b>Libraries</b>										
Basic Service Delivery	Infrastructure Development	Coordinated and effective administration	Office Furniture & Equipment	% of project completed	All	100%	100% completed	100%	50%	R
Basic Service Delivery	Infrastructure Development	Coordinated and effective administration	Office Furniture & Equipment	% of project completed	All	100%	100% completed	100%	50%	R
Basic Service Delivery	Social Development	Awareness topics e.g. Aids topics, sexual harassment etc.	Arrange awareness programmes on various social topics (1 per quarter per library)	Awareness campaigns at libraries	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	The building of Library at Mandlenkosi.	Obtain approval from PAWC for the construction of the library	Obtain approval from PAWC for construction	All	100%	% of target achieved	100%	0%	R
Basic Service Delivery	Social Development	Coordinated and effective administration	Ensure that all correspondence marked out to the Libraries are finalised	Within three (10) working days after receipt from the Registration office.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Social Development	Effective management of Libraries	Visits of toddler groups to library	6 Visits per year	All	6	# per year	6	3	R
Basic Service Delivery	Social Development	Effective management of Libraries	Library exhibitions held	6 Exhibitions per year	All	6	# per year	6	6	G
Basic Service Delivery	Social Development	Effective management of Libraries	To increase book circulation	5% increase in book circulation	All	100%	% of target achieved	100%	40%	R
Basic Service Delivery	Social Development	Effective management of Libraries	To reduce the cost of lost books	25% reduced cost of lost books	All	100%	% of target achieved	100%	80%	O
Basic Service Delivery	Social Development	Effective management of Libraries	Loan of items at libraries	# of items loaned at libraries as percentage of	All	20%	% loaned vs. Stock level	20%	20%	G



Nat. KPA	Municipal. KPA	Objective /Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
				stock						
<b>Human Resources</b>										
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	80%	R
Municipal Transformation and Institutional Development	Institutional Development	More effective appointment processes	Staff appointments done by MM according to systems Act and alignment of appointment policy with Act	Revised recruitment policy in line with Systems Act	All	100%	% within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Develop capacity building plan that address actual training needs (incl identification of needs, status quo, solutions)	Develop capacity building plan that address actual training needs	Developed capacity building plan	All	100%	% within required timeframe	100%	50%	R
Municipal Transformation and Institutional Development	Institutional Development	Actions by corporate services and council to complete TASK as soon as possible	Implementation of TASK results on receipt of bargaining council	Implemented TASK results	All	100%	% within required timeframe	100%	0%	R
Municipal Transformation and Institutional Development	Institutional Development	Diversity workshop	Facilitation and implementation	Diversity workshop	All	100%	% within required timeframe	100%	10%	R
Municipal Transformation and Institutional Development	Institutional Development	Organisation and method work-study	Review of organisational structure and method of work study subject to funding	Revised organisational structure	All	100%	% within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Discipline must form part of the job descriptions of all supervisors	To include discipline of personnel in the job descriptions of all supervisors	Revised job descriptions of all supervisors	All	100%	% within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Development of an electronic database to keep record of all disciplinary actions taken against officials	Establishment and updating of an electronic database	Established discipline database	All	100%	% within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	To improve the discipline to acceptable levels	Development of a policy and procedures to handle discipline	Discipline policy developed	All	100%	% within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	To provide advice and monitor labour grievances	Ongoing advice and monitoring	All	100%	Planned average percentage of grievances addressed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Reclaim all monies due i.t.o. Skills Development Plan.	100% of monies due claimed	All	100%	% of monies due claimed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Annual SDP compiled, submitted and approved	Approved SDP = 1	All	100%	No of SDP's planned for year	100%	100%	G

Nat. KPA	Municipal. KPA	Objective /Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Submission of Quarterly Training report to LGSETA	4 reports p.a.	All	100%	quarterly	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	To co-ordinate the training to all staff as identified by different directorates	Percentage of Training budget spent	All	100%	% expenditure	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Maintained of staff record system	% maintained record system	All	100%	% maintained	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	To arrange meeting between Municipal Manager and all staff	# staff meeting per year	All	4	quarterly	4	15	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Induction of new employees	%: Newly employed inducted	All	80%	quarterly	80%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Administration of appointments and training to selection committee members	Appointments made within 3 months after advertising	All	80%	Ongoing	80%	80%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Submission of skills development plan	Submission by 30 June each year	All	100%	30-Jun	100%	100%	G

**Table 90: KPI Performance: Corporate Services**

### C) FINANCIAL SERVICES

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Director: Financial Services										
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Cabinets Filing (Personnel Files)	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Ring Binder	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Polisher Nelspoort	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Shredder	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Improve handling of complaints	Implementation of system to effectively handle complaints	Complaints system implemented	All	100%	% delivered within required timeframe	100%	75%	O
Municipal Financial Viability and Management	Financial Viability	Address all outstanding issues raised by the AG in the management	Develop and implement of a plan to address the	Approved plan to address issues raised by AG	All	100%	% delivered within required	100%	100%	G



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Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
		report wrt stores, VAT & assets	issues raised by the AG and report on progress made				timeframe			
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Council resolutions	Items implemented within required timeframe	All	90%	% delivered within required timeframe	90%	95%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Liaison with Leadership	Meetings with management team per month	All	24	Bi-weekly	2	2	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of assignments from municipal manager	All reasonable assignment implemented within required timeframes	All	100%	% of assignments addressed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Effective and compliant procurement practices	No of successful appeals against municipality on the awarding of tenders.	All	0%	% of successful appeals	0%	0%	G
Municipal Transformation and Institutional Development	Institutional Development	Good staff relations and communication	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	2	2	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by November	All	1	Nov '09	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	100%	G
Budget Office										
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Epson Slip Printer	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Epson Slip Printer	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Computers X 5	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Dot Matrix Printer	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	UPS	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Printer HP 2055	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Vote virements	Virements recorded on Financial System	All	1	# of virements recorded	100%	100%	G

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Municipal Financial Viability and Management	Financial Viability	Monitoring of cash flow and regular feedback to departmental meetings in order to improve cash flow	To arrange monthly meetings between finance and HODs on their budget status and projected cash flow	Monthly meeting with all heads of departments	All	11	Monthly	1	1	G
Municipal Financial Viability and Management	Financial Viability	Improved communication & planning of activities, monitoring of progress & performance of the FMS and SP;	Development and signing of SLA with the service provider	Completed SLA with FMs service provider	All	100%	% completed within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Appointment and training of an asset clerk to execute the asset management function;	Obtain approval for amendment of Organogram and budgeting accordingly	Obtain approval to amend organogram an budget accordingly	All	100%	% completed within required timeframe	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Updating the asset register to comply with GRAP	Updating the asset register to comply with GRAP	Updated and GRAP Compliant Asset Register	All	1	1 Asset Register	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Capital expenditure verified against Capex Budget	No of capital expenditure transactions reconciled / total no of capital expenditure transactions initiated	All	100%	Planned % of expenditure transactions reconciled	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Monthly reporting preparation to committees	Reports completed within 10 working days after the end of the month	All	100%	% completed within required timeframe	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Workshop and implementation of budget related policies with personnel of all sections	All staff trained in budget policies	All	100%	% staff trained	100%	50%	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	External Audit Report to Audit Committee	Report submitted within 30 days of receipt	All	100%	100% reports submitted within timeframe	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Completion of Adjustment Budget	Completion of Adjustment Budget within the required timeframe - Recommendations to council 25 Jan - finalisation and approval Feb/March	All	100%	% completed within required timeframe	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Completion of draft and final budgets	Completion of Draft and final budgets on 20th of March	All	100%	1 budget	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Closure of books and compilation of financial statements	Closing of books and compilation of financial statements completed by 31/08	All	1	1 set of statements	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Asset Survey	Annual asset count completed	All	1	1 count per annum	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Updated asset register annually	New Assets recorded in Asset Register	All	95%	% of all assets	95%	95%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	SDBIP financial reporting to council	Timeous monthly reporting before due date	All	100%	Quarterly	100%	100%	G

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Reporting to NT and PT according to MFMA & DORA	Monthly / Quarterly reporting within required timeframes	All	100%	% reports submitted	100%	95%	O
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	12	# Monthly Liaison	12	12	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
<b>Income</b>										
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Furniture & Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Furniture & Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Air conditioning	% of project completed	All	100%	100% completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Toilet Nieuveld Park Office	% of project completed	All	100%	100% completed	100%	80%	O
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Furniture & Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Coordinated and effective administration	Reporting of unregistered or underground and faulty meters	98% faulty meters reported	All	98%	% faulty meters reported	98%	100%	G
Municipal Financial Viability and Management	Financial Viability	Improve revenue collections	Expansion of electricity sales to cater for inhabitants 24/7	Electricity sales expanded	All	100%	% completed within required timeframe	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Improve revenue collections	Cleansing of debtor database	Cleansed debtor basis	All	90%	% completed within required timeframe	90%	50%	G
Municipal Financial Viability and Management	Financial Viability	Improve revenue collections	Obtain approval to expand credit control unit to improve collections	Approval obtained to expand credit control unit	All	100%	% completed within required timeframe	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Owner / Property details register updated monthly	Months during which property register updated 10 working days after month-end	All	12	Months during which register will be updated	12	11	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Debit raising and month-end procedures	Monthly procedures as per schedule	All	100%	% of monthly procedures	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Financial System: Updating of daily transactions	Daily updates as per schedule	All	98%	% of daily updates as per schedule	98%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Execution of credit control procedures as per approved policy	90% compliance with policy	All	90%	% compliance	90%	95%	G

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Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Recording of deeds list	95% of all deeds lists	All	95%	% recorded	95%	95%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Banking of all receipts	All receipts banked within 48 hours, except remote offices	All	100%	% within 48 hours	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Daily receipting	100% daily	All	100%	% daily receipts	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Reconciliation of Control Accounts	Monthly Reconciliation of all control accounts	All	100%	% monthly reconciliations	100%	46%	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Bi-annual auditing of indigent records	100% of indigent audited	All	95%	% audited	95%	95%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Debtors payments received timeously	Payment % rate	All	90%	% debtors paid	90%	100%	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Debit raising & account prints to be finalised & posted per pre-determined annual schedule	100% of accounts posted within required timeframes	All	90%	% of timelines met	90%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	4	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by November	All	1	Nov '09	1	2	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Bank Reconciliation	Bank recons. completed within 10 working days after the end of the month	All	100%	% completed within required timeframe	100%	100%	G
<b>Expenditure</b>										
Municipal Financial Viability and Management	Financial Viability	Timely completion & Submission of VAT 201	Continuous monitoring of VAT accounts	Monitoring of VAT Accounting & Claims	All	12	Continuous	12	12	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Months without unauthorised spending by accounting officer as indicated in MFMA 32(1)(b)	Months during which proof can be provided that no spending was undertaken as referred to MFMA , Sec 32.(1)(b) = 1, if such spending was undertaken = 0	All	12	Planned No of months during which no unauthorized spending took place as prescribed by legislation	12	12	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	SCM expenditure verified against SCM policy	% actual SCM payments in line with policy	All	100%	Planned average (%) of SCM payments in line with policy	100%	100%	G
Municipal	Financial	Ensure compliance with	Reconciliation of	Reconciliations	All	95%	%	95%	80%	O

BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2009/2010

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Financial Viability and Management	Viability	the MFMA	control votes and suspense accounts	completed within 10 working days after month end			reconciliations completed			
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Balancing of register with control accounts	Balancing within 10 working days after month end	All	95%	% completed timeously	95%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Timely Third-party payments	Third-party payments paid before due date	All	98%	% payments before month end	98%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Timely payment of Salaries and Wages	Payment by due date every month	All	98%	% payment by due date every month	98%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Timeous payment of invoices and utilisation of discounts	Payment within 30 days from date of invoice/statement	All	98%	% invoices paid	98%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	18	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by November	All	1	Nov '09	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	98%	G
Municipal Financial Viability and Management	Financial Viability	Conduct an investigation in treatment of VAT to ensure correct amount of VAT declared/claimed from SARS;	Continuous monitoring of the VAT accounting and claims	Monitoring of VAT accounting and claims	All	100%	Continuous	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Monitor and ensure insurance claims settled/ finalised/ handled in 90 days	Ongoing	All	100%	%/ month	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Updating of Insurance Portfolio	Assets recorded and values updated	All	100%	% asset records updated	100%	100%	G
<b>Supply Chain Management</b>										
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Availability of generic bid documents	Generic bid documents, incl CIBD, revised and available	All	100%	% availability	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Bid evaluation and adjudication	Bid evaluation and adjudication - No successful appeals	All	100%	% without successful appeals	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	SCM delegations	SCM delegations in place throughout the year	All	100%	% delegations in place	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	All SCM reporting requirements met	All SCM reporting requirements met	All	98%	% reporting requirements met	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Effective Bid Committee System	Effective Bid Committee System in place	All	100%	% completed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Annual Database registrations	Annual Database registration invitation done	All	100%	% completed	100%	100%	G
Municipal	Financial	Ensure compliance with	All tenders finalised	Within 21 days after	All	100%	% of target	100%	84%	O

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Financial Viability and Management	Viability	the MFMA	according to applicable legislation, regulations and policies	closure of tender			achieved			
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Functionality of SCM Unit	SCM Unit fully established as per organogram and functional	All	100%	% functional	100%	67%	R
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Regular stock take	Quarterly stock takes	All	100%	% stock takes completed	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	20	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by November	All	1	Nov '09	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	100%	G
<b>Information Technology</b>										
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Software licensing audit (Finance network only)	Annual audit	All	1	% audit completed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Attending to hardware, software and network problems (PC's & Mainframes) (Finance network only)	% of problems solved within 2 working days	All	98%	% of problems solved within 2 working days	98%	98%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Back-up of all systems and databases (Finance network only)	Daily, Weekly and monthly back-up	All	100%	% of successful back-ups	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ensure a virus free environment (Finance network only)	Viruses Reported attended to	All	100%	% Viruses reported addressed	100%	99%	O
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Reliability of network (Finance network only)	% network downtime	All	0.50%	% downtime	100%	99%	O

**Table 91: KPI Performance: Financial Services**



D) COMMUNITY SERVICES

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Director: Community Services										
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Ensure that all correspondence marked out to the Community Services section are finalised	Within ten (10) working days after receipt from the Registration office.	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Skills Development	# of targeted individuals trained	All	100%	Monthly	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Implementation of Council resolutions	Items implemented within required timeframe	All	100%	% delivered within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Liaison with Leadership	Meetings with management team per month	All	24	Bi-Weekly	24	24	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Management of audit queries	% of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Assignments from municipal manager	Reasonable assignment implemented within required timeframes	All	100%	% of assignments addressed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ensure proper procurement practices	No of successful appeals against municipality on the awarding of tenders.	All	0%	% of successful appeals	0%	0%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of Annual Report information	Departmental Report submitted by 31 November	All	1	08-Nov	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit reports	% of internal audit queries rectified within 6 months	All	80%	% rectified	80%	80%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	SDBIP reporting to council	Timeous reporting to MM before due dates quarterly	All	100%	% completed by due dates	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	24	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by November	All	1	Nov '09	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	80%	G
Solid Waste										
Basic Service Delivery	Infrastructure Development	Provide safe environment for	Refuse Bins	% of project completed	All	100%	100% completed	100%	100%	G

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
		community								
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Stores Upgrading	% of project completed	All	100%	100% completed	100%	100%	G
Good Governance and Public Participation	Infrastructure Development	Provide safe environment for community	Intensify education campaigns at schools.	Develop and implement communication plan for schools	All	100%	% of target achieved	100%	0%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Minimize waste that is being dropped at landfill.	Develop and implement recycle initiatives	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Filling of gaps in our Integrated Waste Management Plan.	Investigate current gaps and obtain funding to address	All	100%	% of target achieved	100%	90%	O
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	To adhere to the conditions of the Landfill permit.	Investigate current gaps and obtain funding to address	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Assist with the establishment of Hawkers Association.	Arrange a meeting with all role-players and establish the forum	All	100%	% of target achieved	100%	0%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Introduction of the pilot project for blue bags system.	Develop and implement implementation plan	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Integration of Mandlenkosi Refuse Removal Service to the municipality	Integration of Mandlenkosi Refuse Removal Service to the municipality with the expert of the contract of the current service provider.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	To optimise the sewerage tank removal fleet	So that the standard service can be provided to all clients	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Correct info for sewerage tanker services issued monthly to finance dept for issuing of accounts.	Monthly to finance department for the issuing of accounts.	All	12	# reports to finance department	12	12	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	The removal of refuse; commonage and build-up areas.	Once a month	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Monitor the current outsourced refuse removal service in Kwa Mandlenkosi	Monitored outsourced site	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Control and monitor - Abattoir-waste	Controlled abattoir waste	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Ensure that all correspondence marked out to the Waste Management Segment are finalised	Within ten (10) working days after receipt from the Registration office.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	The dumping of all waste at Vaalkoppies waste	Maintained dumping site	All	100%	% of target achieved	100%	100%	G



Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
			sites and the maintenance of the dumping site.							
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	The removal of domestic waste at all residences in all residential areas	Once per week.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Basic Service Delivery	Provide safe environment for community	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	24	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Hawker Areas Upgrading	% of project completed	All	100%	100% completed	100%	0	R
<b>Housing</b>										
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Housing	% of project completed	All	100%	100% completed	100%	0	R
Basic Service Delivery	Infrastructure Development	GAP housing	Develop GAP housing policy	Developed Housing Policy	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Registration of beneficiaries for subsidised houses at Consolidation project at Kwa Mandlenkosi	100 beneficiaries registered	All	100%	% of target achieved	100%	12%	R
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Registration of beneficiaries for subsidised houses at Nelspoort	140 beneficiaries registered	All	100%	% of target achieved	100%	25%	R
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Registration of beneficiaries for subsidised houses at Merweville	90 beneficiaries registered	All	100%	% of target achieved	100%	25%	R
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Finalise the signing of purchase contracts with owners for municipal owned property	Number as determined annually	All	100%	% of target achieved	100%	95%	O
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Housing survey to determine current status wrt people living currently in the houses	1 Survey	All	100%	% of target achieved	100%	33%	R
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Ensure that housing consumer education programme is implemented and sustained	3000 members of the community	All	100%	% of target achieved	100%	25%	R
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Complete all procedures correctly after application was made for housing, before a house awarding.	% of procedures followed correctly	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Control over unauthorised informal settlements by allocation, prevent structures to be build.	Months during which control will be enforced	All	12	# Months during which control will be enforced	12	12	G
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Updating information of informal residents	Months during which database were updated / months during which databases	All	12	# Months during which database will be	12	12	G

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
				was planned to be updated			upgraded			
Basic Service Delivery	Infrastructure Development	Provision of housing to low income earners	Updating waiting lists	Months during which waiting lists were updated	All	12	No of months during which database will be upgraded	12	12	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	24	G
<b>Public Safety</b>										
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Equipment	% of project completed	All	100%	100% completed	100%	99%	O
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Fire Prevention inspections and awareness	Fire Prevention inspections and awareness	All	24	Nr. of inspections	24	12	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Response to call-outs for disaster management	95% of call outs responded to within 15 minutes	All	95%	% of target achieved	95%	39%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Fire brigade services and disaster management processes in place.	Processes in place within required timeframe	All	100%	% of target achieved	100%	1%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Implement By-laws on law enforcement for the Beaufort-West Region.	Items implemented within required timeframe	All	100%	% of target achieved	100%	0%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Monitoring and Upgrading of Fire department equipment as funds become available.	Upgraded equipment	All	100%	% of target achieved	100%	4%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Increase in number and quality of fire hydrants provided as funds become available.	Ongoing as and when funds become available	All	100%	% of target achieved	100%	0%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Development of a Disaster Management Plan	Developed and approved Disaster Management Plan	All	100%	% of target achieved	100%	0%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Ensure that all correspondence marked out to the Public Safety Segment are finalised	Within ten (10) working days after receipt from the Registration office.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Education in Fire Fighting, household risks, emergency procedures.	# of people trained as determined	All	100%	% of target achieved	100%	5%	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Organised Law enforcement operations	12 Law enforcement operations	All	12	1 per month	12	3	R
Municipal Transformation and Institutional Development	Institutional Development	No matching objective	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	16	R

Environmental Services										
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	To develop a Community education programmes & launches environmental projects to create a clean environment.	Developed programme	All	1	# of programmes developed	1	0	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Develop an effective environmental management policy.	Developed policy	All	1	# of policies developed	1	0	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	That all procedures on informal trading are followed and that funds are collected.	No of reports	All	4	Quarterly	4	1	R
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Applications on pest control	In one week	All	100%	% within required timeframe	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	To update a cash book monthly on the recycling project, to determine profitability.	Monthly updated cash book	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	To produce recyclables per month through the recycling project.	30 tons per month	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	All open premises are inspected for cleanliness and corrective steps are taken.	2 inspections per year premises	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	To ensure that procedures are followed with rental of kraals for animals & the register is kept up-to-date.	Correctly followed procedures and maintained register	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	To ensure that procedures are followed with the pounding of animals that the register is kept up-to-date.	Correctly followed procedures and maintained register	All	100%	% of target achieved	100%	90%	O
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	24	G
Cemeteries & Crematoria										
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Ensure that all pauper burials are attended to	Within 3 days.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Maintenance and managing of cemeteries.	Maintained cemeteries	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Inspection of the cemeteries to determine the availability of space in cemeteries.	Quarterly	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide safe environment for community	To buy a coffin through contractor for pauper burials	Immediately after notification of the case.	All	100%	% of target achieved	100%	100%	G

Basic Service Delivery	Infrastructure Development	Provide safe environment for community	Ensure that all correspondence marked out to the Cemeteries Segment are finalised	Within ten (10) working days after receipt from the Registration office.	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	24	G
<b>Traffic Services</b>										
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Policing of businesses	Expand the traffic services duties to include peace officer duties	All	100%	% of target achieved	100%	0	R
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Service availability during regular hours	Days per month that Service is available	All	20	Planned average no of days that service will be available	20	20	G
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Actual driving licence testing which took place as planned	Actual driver tested / % of planned tested per month	All	75%	% of actual tests which takes place	75%	80%	G
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Actual roadblocks which took place as planned	Actual roadblocks / Planned roadblocks per quarter	All	12	# roadblocks which will take place per year	12	25	G
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Speed Law enforcement	Two streets covered with speed Law enforcement per month	All	24	# of streets	24	10	R
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Replace old road signs with new format signs.	100% replaced old road signs	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Attend to damaged road signs within 7 days after notification.	Within 7 days after notification.	All	100%	% of target achieved	100%	705	R
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Ensure that all correspondence marked out to the Traffic Services Segment are finalised	Within ten (10) working days after receipt from the Registration office.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Inspection of vehicles	To satisfy the SABS Inspectorate's requirements 100%	All	100%	% of target achieved	100%	805	O
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Inspection of Driving licences	Pay over R46.50 per card - levy to Prodiba within Provincial requirements.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Inspection of vehicles	To spend a maximum of 45 min [handling time] per vehicle but within the framework of SABS Practice	All	100%	% of target achieved	100%	100%	G

				Code 0216 when opened.						
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Finalise daily closing of Motor registration and licensing fees and transfer	within 24 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Traffic calming & mobility strategy	Provide safe environment for community	Collection of motor vehicle registration and licensing fees	% collection	All	95%	% of target achieved	95%	95%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	14	R

**Table 92: KPI Performance: Community Services**

**E) ENGINEERING SERVICES**

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Director: Engineering Services										
Basic Service Delivery	Basic Service Delivery	Effective planning and development	Merweville 90 houses	% of project completed	All	100%	% of project completed	100%	99%	O
Basic Service Delivery	Basic Service Delivery	Effective planning and development	Housing Nelspoort 216 houses	% of project completed	All	100%	% of project completed	100%	100%	G
Basic Service Delivery	Basic Service Delivery	Beh.Merweville 90 Houses: Top Structure	Sewerage works Merweville	% of project completed	All	100%	% of project completed	100%	11%	R
Basic Service Delivery	Infrastructure Development	Effective water services	Bulk Water Services	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Bicycle Lanes and Pathways	% of project completed	All	100%	100% completed	100%	40%	R
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Stormwater Nelspoort	% of project completed	All	100%	100% completed	80%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Stormwater Construction N 1	% of project completed	All	100%	100% completed	100%	70%	R
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Tarred Roads Construction	% of project completed	All	100%	100% completed	100%	50%	R
Basic Service Delivery	Infrastructure Development	Coordinated and effective administration	Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Local Economic Development	Local Economic Development	Provide a work environment	Temporary Job Creation	The provision of at least 20 temporary jobs per month	All		Numbers	240	1 206	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Upgrade Merweville Sewage Works	Upgraded sewerage works	All	100%	% of target achieved	100%	24%	R
Basic Service Delivery	Infrastructure Development	Effective water services	Development of Borehole	Developed borehole	All	100%	% of target achieved	100%	30%	R
Basic Service Delivery	Infrastructure Development	Effective water services	Development of Aquifers	Developed aquifers	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Review and submit a Water Services Development Plan	Updated WSDP	All	1	# plans updated	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Submit an Audit Report of the	1 report per year	All	1	# reports	100%	100%	G

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
			previous year WSDP.							
Basic Service Delivery	Infrastructure Development	Effective water services	Hiring of additional vehicles / purchase	Sufficient water provision	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Drafting and control of water projects – inspection of activities and follow-up thereof.	1 inspection per month per project	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Attend Council, Provincial roads and Public Transport meetings to improve communication.	Attend Council, Provincial roads and Public Transport meetings and also monthly Departmental meetings to improve communication.	All	95%	% of target achieved	95%	95%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Developed assessment of backlog document with action plans; quantify stormwater backlog & prioritise.	Completed study	All	1	% of target achieved	1	0	R
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Finalisation of EPWP as per Business Plans and thereby creating employment opportunities.	Completed projects	All	100%	% of target achieved	100%	35%	R
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Hiring of additional sewerage vehicles	Annually 2nd to 3rd quarter	All	2	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Building control	To update a Uniform LUMS(Urban Edges and density)	Updated uniform LUMS	All	100%	% of target achieved	100%	39%	R
Basic Service Delivery	Infrastructure Development	Building control	Develop a Building Maintenance program/budget - By end of calendar year for budget process	Programme developed	All	1	# programmes developed	1	0	R
Basic Service Delivery	Infrastructure Development	Building control	To educate community regarding building control issues - Once per year per ward.	Once per year per ward.	All	100%	% of target achieved	100%	25%	R
Basic Service Delivery	Infrastructure Development	Coordinated and effective administration	Ensure that all correspondence marked out to the Engineering services Segment are finalised	Within ten (10) working days after receipt from the Registration office.	All	100%	% of target achieved	100%	91%	O
Basic Service Delivery	Infrastructure Development	Effective fleet management	Record of vehicles that determine replacement dates, maintenance plan and expansion	Establish a record of vehicles that determine replacement dates, maintenance plan and expansion	All	100%	% delivered within required timeframe	100%	0%	R
Basic Service Delivery	Infrastructure Development	Effective fleet management	Fleet maintenance plan	The development of a fleet maintenance plan	All	100%	% delivered within required timeframe	100%	0%	R



**BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2009/2010**

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Basic Service Delivery	Infrastructure Development	Effective water services	Water maintenance plan	Development of a water maintenance plan	All	100%	% delivered within required timeframe	100%	0%	R
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Stormwater maintenance plan	Development of a stormwater maintenance plan	All	100%	% delivered within required timeframe	100%	0%	R
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Sewerage maintenance plan	Development of a sewerage maintenance plan	All	100%	% delivered within required timeframe	100%	0%	R
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Skills Development	# of targeted individuals trained	All	100%	Monthly	90%	62%	R
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Implementation of Council resolutions	Items implemented within required timeframe	All	100%	% delivered within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Liaison with Leadership	Meetings with management team per month	All	24	Weekly	24	24	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of audit queries	% of audit queries completed within 30 days	All	100%	% of target achieved	70%	70%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Assignments from municipal manager	Reasonable assignment implemented within required timeframes	All	100%	% of assignments addressed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ensure proper procurement practices	No of successful appeals against municipality on the awarding of tenders.	All	100%	% of successful appeals	0%	0%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit reports	% of internal audit queries rectified within 6 months	All	80%	% rectified	80%	80%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	SDBIP reporting to council	Timeous reporting to MM before due dates	All	100%	% completed by due dates	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	24	# Bi-Weekly Liaison	24	32	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by 31 November	All	1	Nov '09	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within 30 days	All	100%	% of target achieved	100%	100%	G
Municipal Financial	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit	% of queries rectified within 6	All	80%	% of queries	80%	80%	G

**BEAUFORT WEST LOCAL MUNICIPALITY ANNUAL REPORT 2009/2010**

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Viability and Management			queries from date of final report	months			rectified			
<b>Building Control</b>										
Basic Service Delivery	Infrastructure Development	Effective building control	Computer	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	Updated GIS	Updated GIS	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	To Control Land Use Effectively: No. & nature of contraventions based on complaints received & surveys	80% resolved within 6 months * Monitoring the implementation of approved land use rights - 100% inspected within specified time as per type of a	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	Advertising signs to be inspected	10% per month	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	80% of advertising signs applications considered within 28 days.	Within 28 days.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	To execute building inspections	95% within 36 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	To approve building Plans	80% to be scrutinised within 10 working days and approved/denied in 30 days.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	Report to Dir: Finance on the buildings completed during the previous financial year.	Report completed annually in August	All	100%	0% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	100% of all applications for zoning certificates issued	Within a period of 3 working days after an application is approved.	All	100%	% of target achieved	100%	100%	G
<b>Municipal Buildings</b>										
Basic Service Delivery	Infrastructure Development	Effective building control	Computer / Internet	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective building control	Safety Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective building control	Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	Maintenance of municipal rental houses.	# maintained houses	All	95%	% of target achieved	95%	95%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	To provide maintenance to municipal buildings	80% to be reacted within 2 hours; 100% to be safeguarded on same day ; 80% to be completed within two weeks	All	100%	% of target achieved	100%	100%	G
<b>Sport and Recreation</b>										
Basic Service Delivery	Infrastructure Development	Provide a safe environment for	Equipment (Occupational	% of project completed	All	100%	100% completed	100%	100%	G



Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
		community	Health & Safety)							
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Equipment	% of project completed	All	100%	100% completed	100%	75%	O
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Equipment (Occupational Health & Safety)	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Gym Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Computer / Internet	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Lawn Mowers	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Improve standards of grass and other surfaces	Improved standards	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Current parks upgraded and supply equipment:	Replace old equipment Replace damaged Playing Equipment and sprinkler system	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Keep Municipal Swimming Pools in an acceptable condition at all times	Maintained swimming pools	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Upkeep of Parks and Sport Facilities	Up kept parks and sport facilities	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Cut of grass at parks	Monthly	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings Recreation Sites	Meetings with management and staff team per month	All	24	# Bi-Weekly Liaison	24	18	O
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings Building Control	Meetings with management and staff team per month	All	24	# Bi-Weekly Liaison	24	24	G
<b>Sewerage Reticulation</b>										
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Safety Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	To operate the oxidation ponds at Merville in such a way that permit conditions are satisfied.	In such a way that permits conditions are satisfied.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	To provide a cost effective and affordable sewerage service to the clients.	cost effective service	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	To clean sewerage system on a continuous basis.	On a continuous basis.	All	100%	% of target achieved	100%	100%	G

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	To remove blockages	The same day as reported.	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	24	# Bi-Weekly Liaison	24	19	O
<b>Waste Water Management</b>										
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Flotron Loggers	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Screw Pump	% of project completed	All	100%	100% completed	100%	90%	O
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Solids Strainer	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Upgrade Occupational Safety	% of project completed	All	100%	100% completed	100%	91%	O
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	To provide a cost effective and affordable sewerage service to the clients.	cost effective service	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	To operate the oxidation ponds at Nelspoort in such a way that permit conditions are satisfied.	In such a way that permits conditions are satisfied.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	To operate the purification works	In such a manner that the permit conditions are satisfied.	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	24	# Bi-Weekly Liaison	24	19	O
<b>Roadwork &amp; Stormwater</b>										
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Computer / Internet	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Storm Water Rustdene Sport	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Improve Storm Water System	Improved system	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	To grade all gravel roads	Twice a year.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	The efficient and effective management and maintenance of Storm-water infrastructure and assets	7 days reaction to complaint & 14 days reaction to letters and correspondence	All	100%	% of target achieved	100%	100%	G
Basic Service	Infrastructure	Provide a safe	Reduction of	10% Reduction of	All	100%	% of	100%	100%	G

Nat. KPA	Municipal KPA	Objective/ Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Delivery	Development	environment for community	backlogs in roads and storm water infrastructure pa. - Depending on availability of Funds.	backlogs and storm water roads per			target achieved			
Basic Service Delivery	Infrastructure Development	Provide a safe environment for community	Attend to major wash aways of roads within	Within 24h of notification.	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	24	# Bi-Weekly Liaison	24	19	O
<b>Water - Purification</b>										
Basic Service Delivery	Basic Service Delivery	Effective water services	Farm Hans river	% of project completed	All	100%	% completed	100%	0%	R
Basic Service Delivery	Infrastructure Development	Effective water services	Chlorinator	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Flotron Loggers	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Computer / Internet	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Improve Occupational Safety	% of project completed	All	100%	100% completed	100%	66%	R
Basic Service Delivery	Infrastructure Development	Effective water services	Telemetry	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Equipment: Nelspoort	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Geomon Maintenance	Maintained Geomon	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Telemetry	Telemetry	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Maintain the telemetry system on the bore holes and the reservoirs	Continuous	All	100%	% of target achieved	100%	92%	O
Basic Service Delivery	Infrastructure Development	Effective water services	To manage the water purification works efficiently	Continuous	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Report on progress of work set out on waterworks programmes	monthly	All	12	# reports submitted	12	12	G
Basic Service Delivery	Infrastructure Development	Effective water services	Limit water losses to maximum 15% and annual reporting to Municipal Manager thereon.	Maximum 15% and annual reporting to Municipal Manager thereon.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Managing total water supply system to ensure sufficient water provision. (Bulk)	Sufficient water provision	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Effective water services	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	18	O
Basic Service Delivery	Infrastructure Development	Effective water services	Try to reduce consumer water consumption through educating consumers.	Education programmes	All	100%	% of target achieved	100%	100%	G

Water - Reticulation										
Basic Service Delivery	Infrastructure Development	Effective water services	Computer / Internet	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Upgrade Office	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Prepaid Meters	% of project completed	All	100%	100% completed	100%	90%	O
Basic Service Delivery	Infrastructure Development	Effective water services	Replace Redundant Water Lines	Replaced water lines	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Upgrading of internal water network.	Upgraded internal water network	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Report on progress of work set out on waterworks programmes	monthly	All	12	# reports submitted	12	12	G
Basic Service Delivery	Infrastructure Development	Effective water services	Inspection of town to identify faults for entry onto waterworks programmes	Continuous	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Limit water losses to maximum 15% and annual reporting to Municipal Manager thereon.	Maximum 15% and annual reporting to Municipal Manager thereon.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Managing total water supply system to ensure sufficient water provision. (Reticulation)	Sufficient water provision	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Water breaks must be repaired within five hours	Within five (5) hours after break has been reported.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective water services	Water control and management – breaks and losses –	Continuous	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Staff Meetings	Meetings with management and staff team per month	All	24	# Bi-Weekly Liaison	24	19	O
Planning and Development										
Basic Service Delivery	Infrastructure Development	Effective planning and development	To provide Development Advice:	Planning info available (within 1 day)	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	Implement a Tourism Signs Policy	Items implemented within required timeframe	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	To review tariff structure annually for planning services	February annually	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	Processing comments on applications to rezoning, removals of restrictions,	Finalise all matters within 90 days as prescribed by legislation.	All	100%	% of target achieved	100%	100%	G

			consent use, subdivision.							
Basic Service Delivery	Infrastructure Development	Effective planning and development	Processing comments on applications to rezoning, removals of restrictions, consent use, subdivision.	Matters receive attention within 5 Days.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective planning and development	Process comments on applications. to rezoning, restrictions, use, subdivisions.	* Legal prescription and finalised within three months.	All	100%	% of target achieved	100%	100%	G
<b>Fleet Management</b>										
Basic Service Delivery	Infrastructure Development	Effective fleet management	Roadworthy and licensed percentage	Vehicles actually licensed and roadworthy	All	100%	Planned 100% of vehicles licensed and roadworthy on time	100%	100%	G
Basic Service Delivery	Infrastructure Development	Effective fleet management	% of vehicles available	Vehicles actually available to be used at all times	All	75%	% of vehicles available	75%	90%	G
Basic Service Delivery	Infrastructure Development	Effective fleet management	Development of vehicle replacement programme	Development of plan	All	100%	Plan developed	100%	0%	R
Basic Service Delivery	Infrastructure Development	Effective fleet management	% of vehicles serviced timeously (to vehicle specs)	Vehicles actually serviced / vehicles due for serviced per quarter	All	70%	Planned % of vehicles serviced on time	70%	80%	G

**Table 93: KPI Performance: Engineering Services**

F) ELECTRO TECHNICAL SERVICES

Nat. KPA	Municipality. KPA	Objective/Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Director: Electro Technical Services										
Basic Service Delivery	Infrastructure Development	Clear policy with regard to houses where owner has been deceased for years - creates problems when power must be cut due to theft	Revision of policy	Revised policy	All	100%	% of target achieved	100%	0%	R
Basic Service Delivery	Infrastructure Development	Meter audit (bulk and small) to limit electricity losses	To obtain funding for meter audit	Obtain funding for meter audit	All	100%	% of target achieved	100%	100%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Progress in electrification of the Central Karoo.	Enhance and monitor progress	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Enhance and monitor progress with Windpark - 4.5MW, 100MW	Enhance and monitor progress	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Prepare business plan &submit finance applications & facilitate the tender process, monitor progress.	Effective project management	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Proactively provide adequate business plan, drawings, specifications & tender docs to facilitate project success.	Proactive project planning	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Issue appropriate safety equipment to personnel and ensure that best safety practices are applied.	Personnel equipped with safety equipment	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Develop standard practices and manuals to guide and assist personnel.	Developed practices and manuals	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Ensure personnel through availability of funds are trained & empowered to perform allocated tasks safely.	Trained personnel	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Manage leave roster in such a way that service delivery is not affected.	Maintained leave roster	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Maintain and monitor metering equipment in such a manner that energy losses are minimised.	Maintained and monitored metering	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ensure all expenditure complies with the Council's Procurement Policy.	100% compliance with SCM policy	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Monitor expenditure/revenue and compare accumulated totals with approved budget amounts.	Ongoing monitoring	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Maintain an electricity emergency service.	24 hours per day	All	100%	% of target	100%	100%	G

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Nat. KPA	Municipality. KPA	Objective/Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
							achieved			
Basic Service Delivery	Infrastructure Development	Coordinated and effective administration	Ensure that all correspondence marked out to the Electricity Service Segment receives attention	within five (5) working days after receipt from the Registration office.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Compile comprehensive electricity maintenance programmes for Beaufort-Wes	Completed maintenance programme	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Application of relevant legislation	Ongoing	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Keep statistics	Ongoing	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Drafting and control of electricity projects – inspection of activities and follow-up thereof.	Controlled electricity projects	All	100%	% of target achieved	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Skills Development	# of targeted individuals trained	All	100%	Monthly	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Implementation of Council resolutions	Items implemented within required timeframe	All	100%	% delivered within required timeframe	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Liaison with Leadership	Meetings with management team per month	All	24	Weekly	24	24	G
Municipal Transformation and Institutional Development	Institutional Development	Coordinated and effective administration	Assignments from municipal manager	Reasonable assignment implemented within required timeframes	All	100%	% of assignments addressed	100%	100%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Ensure proper procurement practices	No of successful appeals against municipality on the awarding of tenders.	All	0%	% of successful appeals	0%	0%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit reports	% of internal audit queries rectified within 6 months	All	80%	% rectified	80.00%	80.00%	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	SDBIP reporting to council	Timeous reporting to MM before due dates	All	100%	% completed by due dates	100%	100%	G
Municipal Transformation and Institutional Development	Institutional Development	No matching objective	Staff Meetings	Meetings with management and staff team per month	All	2	# Bi-Weekly Liaison	24	24	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Submission of annual report information	Department report information submitted by November	All	1	Nov '09	1	1	G
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Management of external audit queries	No of audit queries completed within	All	100%	% of target achieved	100%	100%	G



Nat. KPA	Municipality. KPA	Objective/Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Management				30 days						
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Implementation of Internal audit queries from date of final report	% of queries rectified within 6 months	All	80%	% of queries rectified	80%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Equipment	% of project completed	All	100%	100% completed	100%	100%	G
<b>Reticulation- Low Voltage</b>										
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	High Mast Lighting - Lande	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Electrifying Dwellings Nelspoort	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Electrifying Dwellings Merweville	% of project completed	All	100%	100% completed	100%	0%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	LAW	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Compressor	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Cherry Pickers	% of project completed	All	100%	100% completed	100%	75%	O
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Wiring Dwellings : Kwa Mandlenkosi	% of project completed	All	100%	100% completed	100%	0%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Safety Equipment	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Maintain assets at maximum value and efficiency.	To maintain assets at maximum value and efficiency.	All	100%	% of target achieved	100%	37%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Monitor and record performance of electrical machinery and equipment and mechanical equipment.	Monitor and record performance of electrical machinery and equipment and mechanical equipment.	All	100%	% of target achieved	100%	60%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Maintain all electrical distribution machinery and mechanical equipment in optimal condition.	Maintain all electrical distribution machinery and mechanical equipment in optimal condition.	All	100%	% of target achieved	100%	4%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Customer complaints	Customer complaints handled.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Notice of planned electricity interruptions	Notice of planned electricity interruptions to consumers	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Planned electricity interruptions	Planned electricity interruptions on overhead networks.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Test meters	Test meters - Electricity Prepayment accuracy queries.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Test electricity meters	Test electricity meters - All meter accuracy queries	All	100%	% of target achieved	100%	100%	G
Municipal Financial Viability and	Financial Viability	Ensure compliance with the MFMA	Reconnect electricity meters	Reconnect electricity meters according to	All	100%	% of target achieved	100%	100%	G



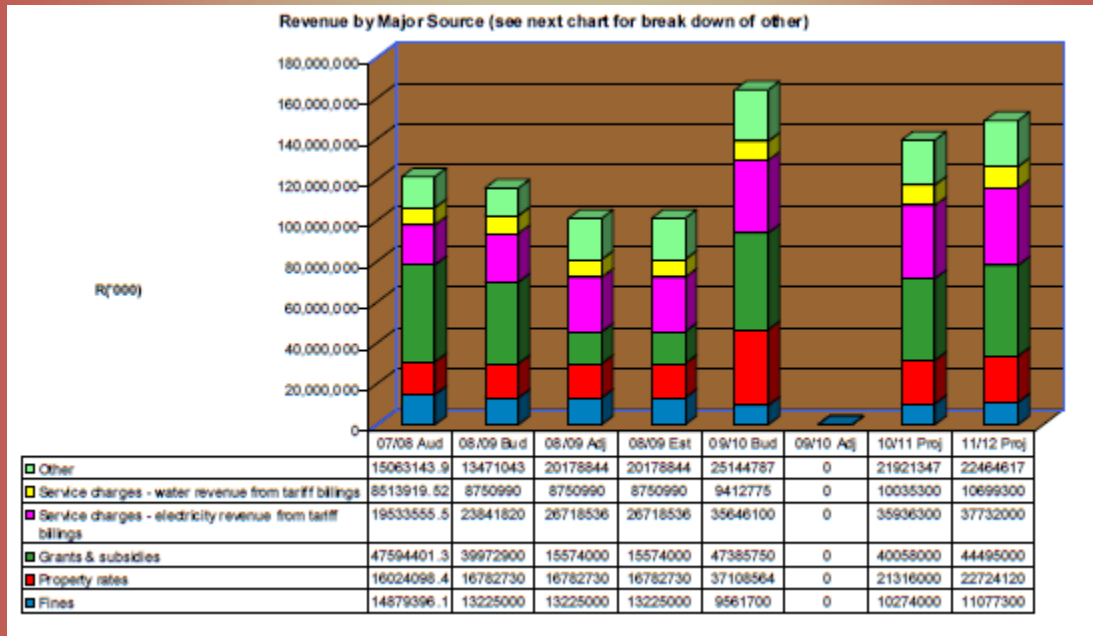
Nat. KPA	Municipality. KPA	Objective/Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
Management				Credit Control Policy.						
Municipal Financial Viability and Management	Financial Viability	Ensure compliance with the MFMA	Disconnect electricity meters	Disconnect electricity meters according to Credit Control Policy.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Repair power failures	98% within 24 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Repair power failures	90% within 7,5 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Repair power failures	60% within 3,5 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Repair power failures	50% within 1,5 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Provide supply	within thirty (30) days where existing network can be used and sixty (60) days for low tension and ninety (90) days for medium tension where extensions must be made to the network. (Depending on availability)	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Provide quotations for new electricity connections	within ten (10) days where existing network is being used, and within thirty (30) days where extensions must be done.	All	100%	% of target achieved	100%	100%	G
<b>Reticulation- High Voltage</b>										
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	132kV Substation Switch Gear	% of project completed	All	100%	100% completed	100%	99%	O
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	132kV Substation Transformer	% of project completed	All	100%	100% completed	100%	50%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	132kV Substation Power Lines	% of project completed	All	100%	100% completed	100%	99%	O
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	132kV Substation	% of project completed	All	100%	100% completed	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Maintain assets at maximum value and efficiency.	To maintain assets at maximum value and efficiency.	All	100%	% of target achieved	100%	59%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Monitor and record performance of electrical machinery and equipment and mechanical equipment.	Monitor and record performance of electrical machinery and equipment and mechanical equipment.	All	100%	% of target achieved	100%	57%	R
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Maintain all electrical distribution machinery and mechanical equipment in optimal	Maintain all electrical distribution machinery and	All	100%	% of target achieved	100%	22%	R

Nat. KPA	Municipality. KPA	Objective/Programme	KPI Name	Definition	Wards	Baseline	Target Unit	Annual Performance		
								Target	Actual	
			condition.	mechanical equipment in optimal condition.						
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Notice of planned electricity interruptions	Notice of planned electricity interruptions to consumers	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Planned electricity interruptions on underground networks.	5 per year	All	100%	# planned interruptions	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Planned electricity interruptions	Planned electricity interruptions on overhead networks.	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Repair power failures	98% within 24 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Repair power failures	90% within 7,5 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Repair power failures	60% within 3,5 hours	All	100%	% of target achieved	100%	100%	G
Basic Service Delivery	Infrastructure Development	Efficient Electricity Delivery	Repair power failures	50% within 1,5 hours	All	100%	99% of target achieved	100%	100%	G

**Table 94: KPI Performance: Electro Technical Services**

# CHAPTER 6

## FINANCIAL PERFORMANCE



## CHAPTER 6: FINANCIAL PERFORMANCE

### 6.1 FINANCIAL SUSTAINABILITY

#### A) MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT - NATIONAL KPIS

KPA & INDICATOR	2007/08	2008/09	2009/10
Debt coverage ((Total operating revenue-operating grants received)/debt service payments due within the year)	42.35	40.37	38.31
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	39.3	31	38.29
Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	1.7	2.4	2.6

**Table 95: National KPI's for financial viability and management**

#### 6.1.1 OPERATING RESULTS

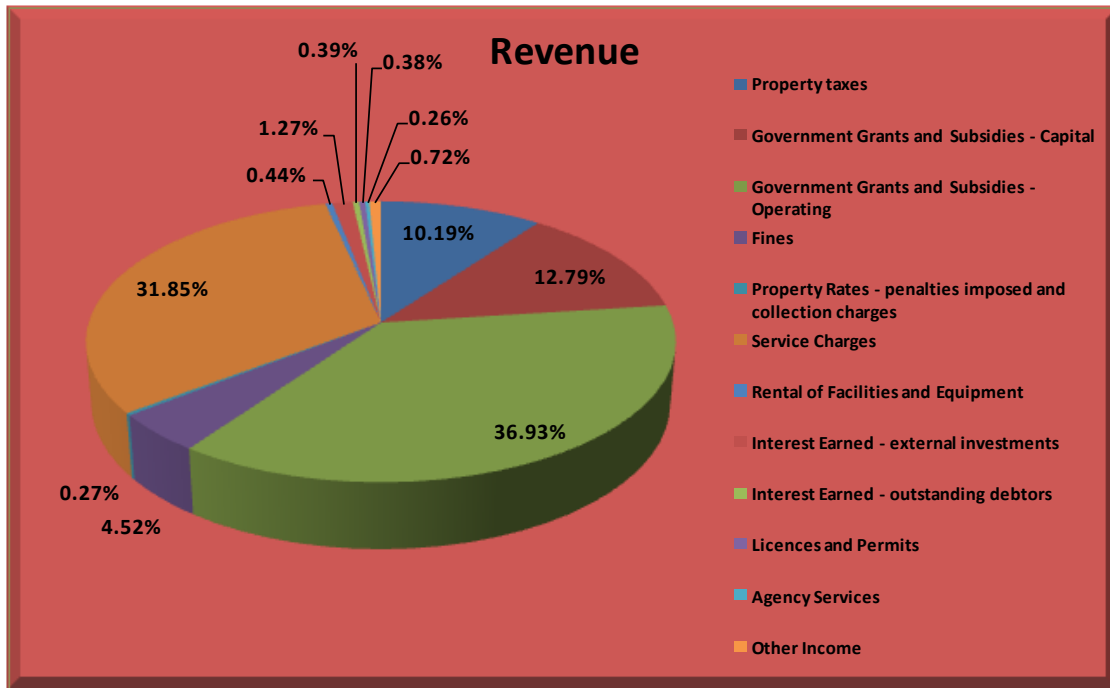
The table below shows a summary of performance against budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
<b>2007/08</b>	113 745	119262	<b>5 517</b>	<b>4.9</b>	100 622	113 178	<b>(12 556)</b>	<b>12.5</b>
<b>2008/09</b>	116 717	150 322	<b>33 605</b>	<b>28.8</b>	98 386	140 431	<b>(42 045)</b>	<b>42.7</b>
<b>2009/10</b>	191 669	164 960	<b>(26 709)</b>	<b>14</b>	173 792	139 470	<b>34 322</b>	<b>20</b>

**Table 96: Performance against budgets**

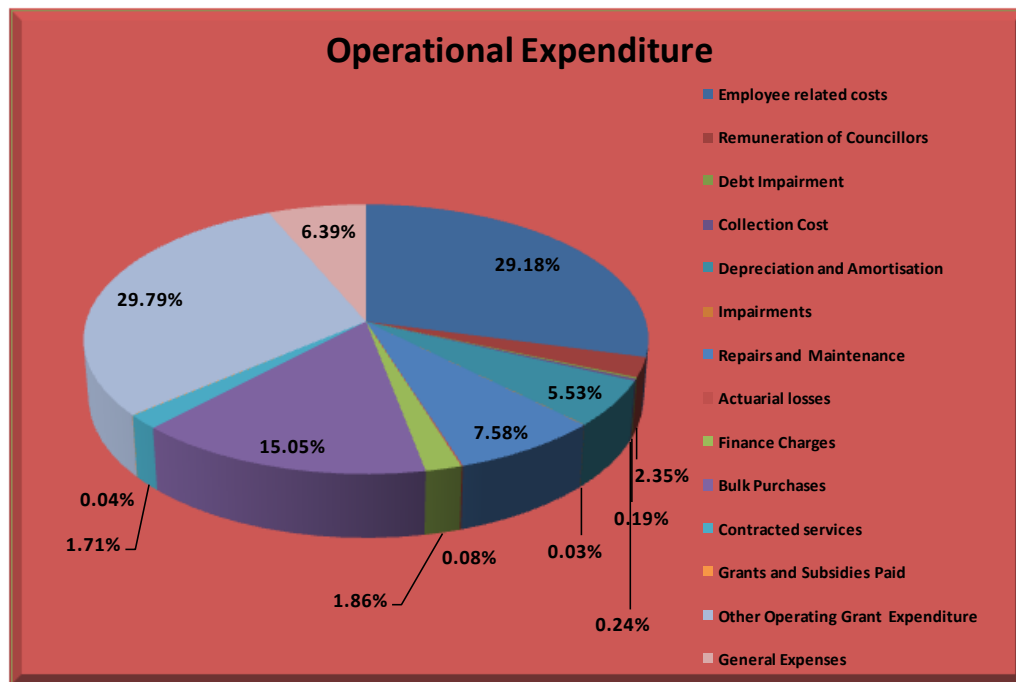
The municipality received R 164,9 million revenue for the year of which R 139,4 million was utilized for operating expenditure. Salaries and councilor allowances were 32% of the operating expenditure for the year under review and the percentage is well within the national norm of between 35-40%. Bulk purchases of water and electricity and expenditure with regards to grants and subsidies that were received from other spheres of government along with salaries and allowances makes up most of the total operating expenditure of the municipality. Grant and subsidies received property tax and service charges account for most of the revenue for the year under review.

The following graph indicates the various types of revenue items in the municipal budget for 2009/10



Graph 13: Revenue

The following graph indicates the various types of expenditure items in the municipal budget for 2009/10



Graph 14: Operating expenditure

## 6.1.2 OUTSTANDING DEBTORS

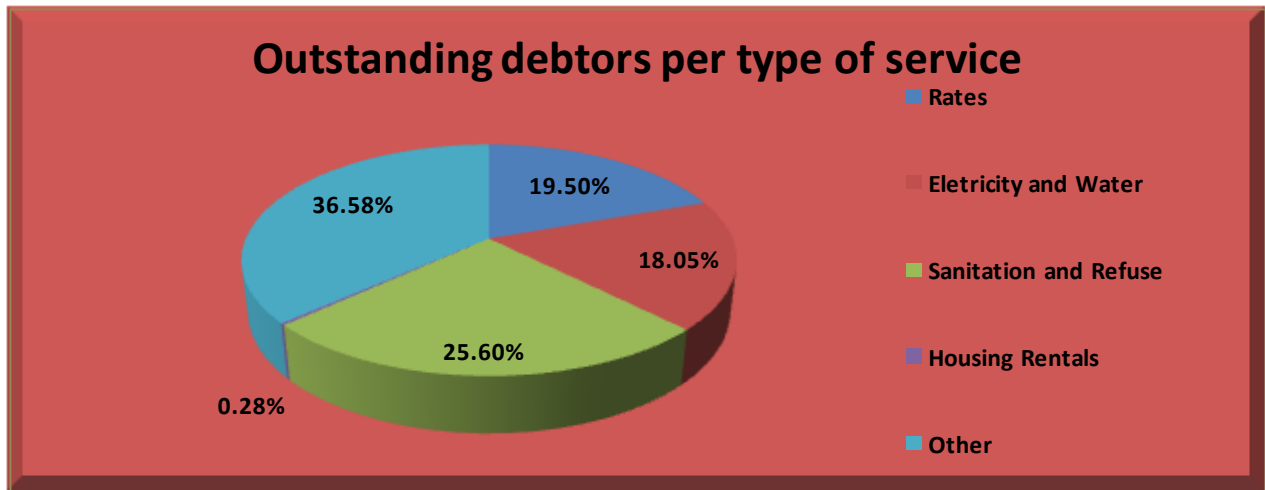
### A) GROSS OUTSTANDING DEBTORS PER SERVICE

Financial year	Rates	Trading services	Economic services	Housing rentals	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)			
	R'000	R'000	R'000	R'000	R'000	R'000
2008/09	4 025	5 470	6 991	107	11 542	28 135
2009/10	6 517	6 031	8 566	93	12 225	33 432
Difference	2 492	561	1 575	(14)	683	5 297
% growth year on year	61.9	10.3	22.5	(13.1)	5.9	18.8

Table 97: Gross outstanding debtors per service

Note: Figures exclude provision for bad debt

The following graph indicates the total outstanding debt per type of service for 2009/10



Graph 15: Debt per type of service

### B) TOTAL DEBTORS AGE ANALYSIS

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2008/09	4 368	834	789	22 144	28 135
2009/10	5 466	840	628	26 498	33 432
Difference	1 098	6	(161)	4 354	5 297
% growth year on year	25.1	0.7	(20.4)	19.7	18.8

Table 98: Service debtor age analysis

Note: Figures exclude provision for bad debt

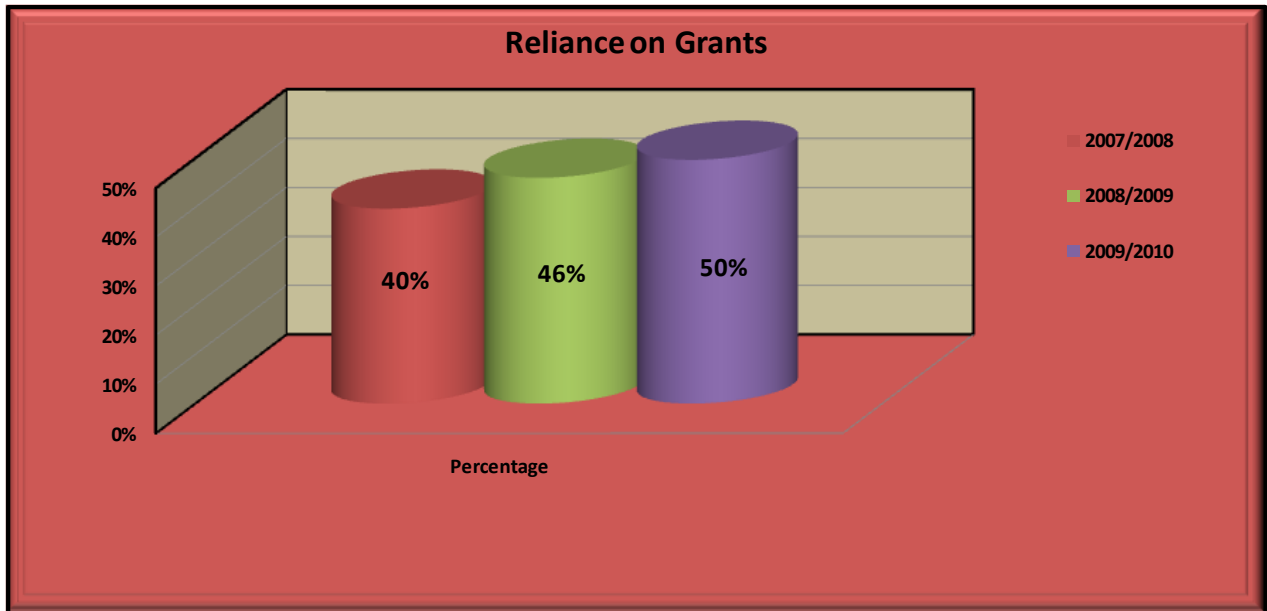
### 6.1.3 VIABILITY INDICATORS

#### A) LEVEL OF RELIANCE ON GRANTS AND SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	%
2007/08	47 416	119 262	40
2008/09	69 220	150 322	46
2009/10	81 783	164 498	50

*Table 99: Reliance on grants*

The following graph indicates the municipality's reliance on grants as percentage for the last three financial years



*Graph 16: Reliance on grants as %*

The municipality is more reliant on grants to finance expenditure than other municipalities with the same nature, due to our limited revenue raising capacity.

#### B) LIQUIDITY RATIO

Financial year	Net current assets	Net current liabilities	Ratio
	(R'000)	(R'000)	
2007/08	34 639	21 607	1.60:1
2008/09	51 709	40 992	1.26:1
2009/10	62 518	42 601	1.47:1

*Table 100: Liquidity ratio*

The ratio indicates that the municipality is in a favorable position to meet its short term liabilities. The ratio is currently below the national norm of 1.5:1. It is therefore imperative to develop and implement more vigorous revenue raising initiatives, especially with regard to outstanding debtors to improve our cash-flow generation for much needed own funding for infrastructure development.

#### 6.1.4 AUDITED OUTCOMES

Year	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
Status	Qualified	Unqualified	Unqualified	Unqualified	

**Table 101: Audit outcomes**

The following table provides the details on the audit outcomes for the past two financial years with the correctives steps implemented:

2008/2009		2009/2010 (To be completed with final draft)	
Issue raised	Corrective step implemented	Issue raised	Corrective step implemented
<b>Emphasis of matter:</b>			
As disclosed in note 36.1 to the financial statements, unauthorised expenditure to the amount of R 22 687 402 was incurred, as the total budget and expenditure of certain votes were overspent.	The unauthorised expenditure was condoned by the Council. Every effort will, however, be made in future to ensure that all expenditure is approved in an adjustments budget.		
<b>Emphasis of matter:</b>			
As disclosed in note 32 to the financial statements, the corresponding figures for 2006-07 have been restated as result of an error discovered during 2007-08 in the financial statements of the municipality at, and for the year ended 30 June 2007.	The error relates to the incorrect treatment of VAT by the Sebata Financial Management System. The system parameters were adjusted during the 2008/09 financial year.		
<b>Matter of Governance:</b>			
The internal audit function did not substantially fulfill its responsibilities for the year, as set out in section 165(2) of the MFMA.	The internal audit unit will in future liaise with the Office of the Auditor-General in order to ensure that sufficient capacity exists and that the internal audit function is performed in terms of section 165(2) of the MFMA. The financial statements will be reviewed to ensure that any material adjustments are made		



2008/2009		2009/2010 (To be completed with final draft)	
Issue raised	Corrective step implemented	Issue raised	Corrective step implemented
	before the financial statements are submitted for audit.		
<b>Non compliance with regulatory requirements:</b>			
The municipality did not appoint and budget for a performance audit committee, neither was another audit committee utilised as the performance audit committee.	The duties of the performance audit committee are being performed by the audit committee and this will be included in the audit charter as such.		

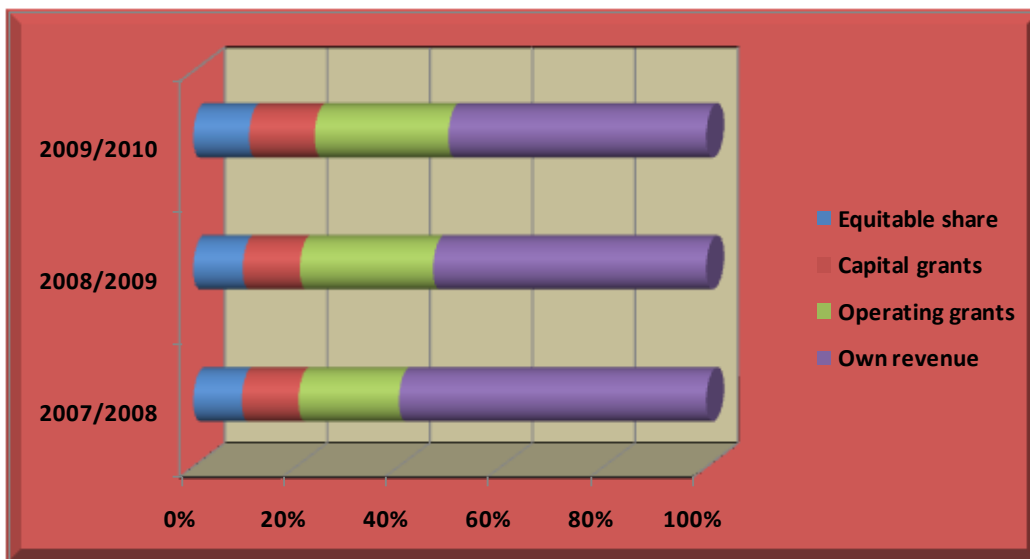
Table 102: Detail on audit outcomes

### 6.1.5 EQUITABLE SHARE VS TOTAL REVENUE

Description of revenue	Amount received 2007/08	Amount received 2008/09	Amount received 2009/10
	R'000	R'000	R'000
Equitable share	11 162	14 260	17 913
Capital grants	13 107	16 521	21 033
Operating grants	23 147	38 439	42 837
Own revenue	70 839	78 828	82 715
<b>Total revenue</b>	<b>118 255</b>	<b>148 048</b>	<b>164 498</b>

Table 103 Equitable share vs. total revenue

The following graph indicates the various revenue streams of the municipality for the past three financial years



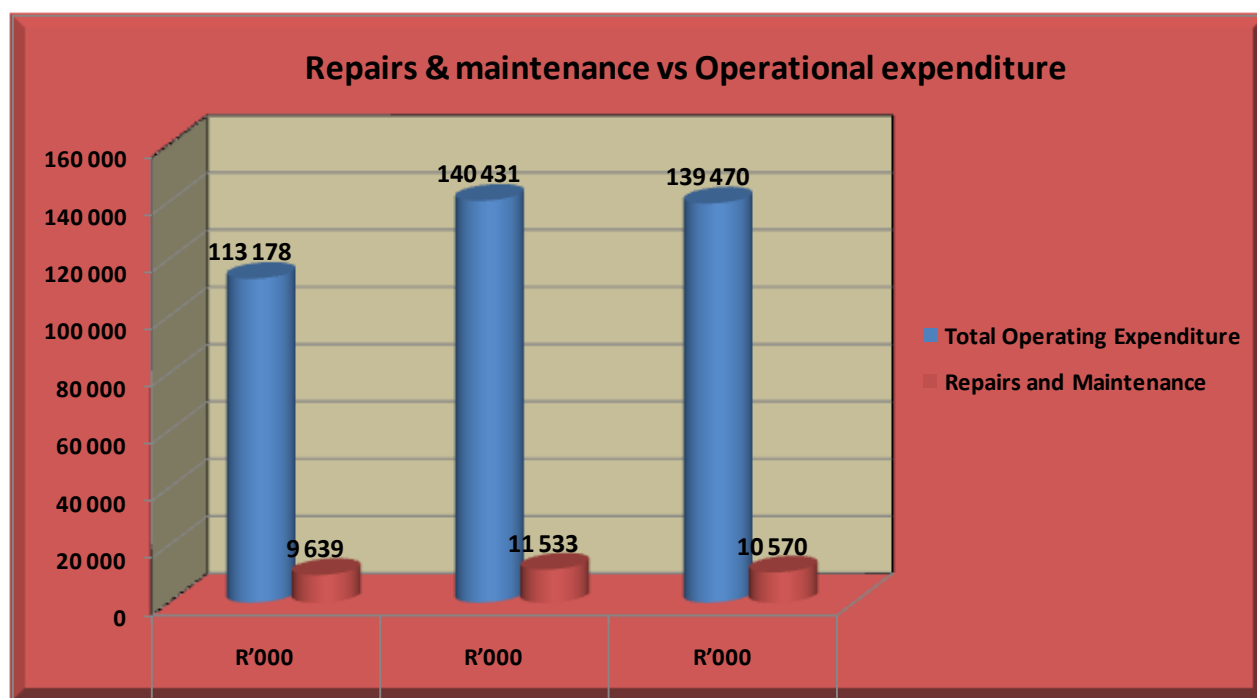
Graph 17: Revenue streams

## 6.1.6 REPAIRS AND MAINTENANCE

Description	2007/2008	2008/2009	2009/2010
	R'000	R'000	R'000
<b>Total Operating Expenditure</b>	113 178	140 431	139 470
<b>Repairs and Maintenance</b>	9 639	11 533	10 570
<b>% of total OPEX</b>	<b>8.5</b>	<b>8.2</b>	<b>7.6</b>

*Table 104: Repairs & maintenance as % of total OPEX*

The following graph indicates the percentage of the budget that was spent on repairs & maintenance in relation to the operational budget



*Graph 18: Repairs and maintenance as percentage of OPEX*

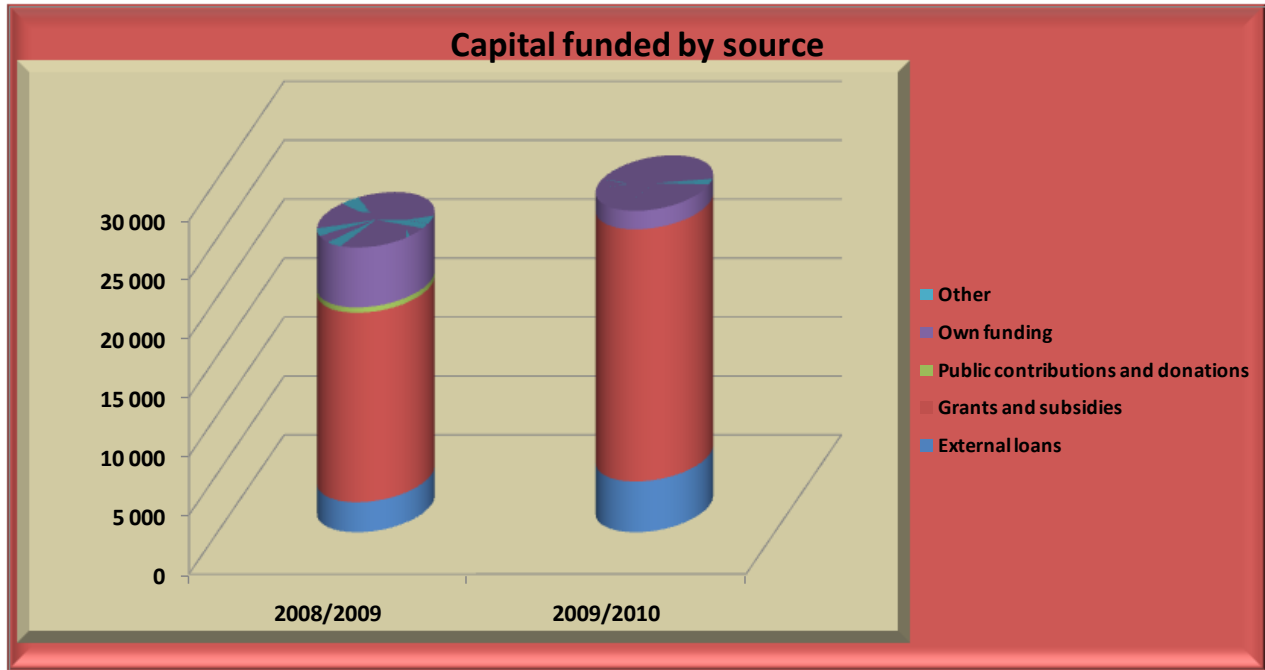
## 6.1.7 CAPITAL FUNDED BY SOURCE

Description Source	2008/2009	2009/2010
	R'000	R'000
<b>External loans</b>	2 549	4 310
<b>Grants and subsidies</b>	16 073	21 382
<b>Public contributions and donations</b>	448	0
<b>Own funding</b>	5 086	1 577

Description Source	2008/2009	2009/2010
	R'000	R'000
Other	0	0
<b>Total capital expenditure</b>	<b>24 156</b>	<b>27 269</b>

*Table 105: Capital funded by source*

The following graph indicates capital expenditure funded by the various sources



*Graph 19: Capital funded by source*

### 6.1.8 FINANCIAL CHALLENGES

Priority Area	Challenge	Action to address
<b>Debt Management</b>	Financial viability affected, increase in debtors	MEC to consult with the council on the consequences of the credit control policy on the financial viability of the municipality
<b>Information processing and management system</b>	Ineffective systems operation, management and data retrieval for reporting	Recruit and appoint suitable personnel; contract service provider to capacitate personnel; investigate options to simplify data e.g. migration to new system or modules
<b>Clean Audit</b>	Internal Audit function	Appointment of skilled personnel and interns
	Functioning of Audit Committee	
<b>SCM</b>	Ineffective supply chain structure and operations, inadequate storage and stock control	Investigate <i>status quo</i> , consider alternative structure and implementation of capacity building programme
<b>Budget control</b>	Fiscal discipline in adhering to legal prescriptions and expenditure management	Implementation of budget database and monitoring/reporting system; ongoing training
	Difficulty with GAMAP compliance	Appointment of service provider and

Priority Area	Challenge	Action to address
		capacitating of internal staff
<b>Risk management</b>	Capacity: Risk management – organogram does not make provision for this post	Review the organogram
<b>Capital expenditure</b>	Insufficient budget for the maintenance of the aging infrastructure	Assessment of the state of infrastructure in the municipality; comprehensive bulk infrastructure study (water and sanitation)
<b>Equitable share</b>	Insufficient funds to meet full scope of service delivery support and indigent/FBS needs	Implementation of revenue enhancement strategies
<b>Infrastructure development</b>	Insufficient funds to meet full scope of service delivery infrastructure development and refurbishment	Implementation of revenue enhancement strategies ; submit requests for revised/increased allocation via provincial government

*Table 106: Financial Viability Challenges*

## LIST OF ABBREVIATIONS

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<b>AG</b>	Auditor-General
<b>CAPEX</b>	Capital Expenditure
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>DWAF</b>	Department of Water Affairs and Forestry
<b>EE</b>	Employment Equity
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>IDP</b>	Integrated Development Plan
<b>IFRS</b>	International Financial Reporting Standards
<b>IMFO</b>	Institute for Municipal finance officers
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>MAYCOM</b>	Executive Mayoral Committee
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MIG</b>	Municipal Infrastructure Grant
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of Mayoral Committee
<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>MTECH</b>	Medium Term Expenditure Committee
<b>NGO</b>	Non governmental organisation
<b>NT</b>	National Treasury
<b>OPEX</b>	Operating expenditure
<b>PMS</b>	Performance Management System
<b>PT</b>	Provincial Treasury
<b>SALGA</b>	South African Local Government Organisation
<b>SAMDI</b>	South African Management Development Institute
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework

# **Beaufort West**

## **MUNICIPALITY**

### **FINANCIAL STATEMENTS**

**30 JUNE 2010**

# BEAUFORT WEST LOCAL MUNICIPALITY

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# BEAUFORT WEST LOCAL MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

### GENERAL INFORMATION

#### NATURE OF BUSINESS

Beaufort West Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

#### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

#### JURISDICTION

The Beaufort West Municipality includes the following areas:

*Beaufort West*  
*Nelspoort*  
*Merweville*

#### MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor - Ms J. Jonas  
Deputy Executive Mayor - Mr P. Long & Mr A. Lyon  
Speaker - Mr J. van Wyk  
Executive Councillor - Mr W. Toto

#### MUNICIPAL MANAGER

*Mr. J. Booysen*

#### CHIEF FINANCIAL OFFICER

*Mr. D. Louw*

#### REGISTERED OFFICE

*112 Donkin Street*  
*BEAUFORT WEST*  
*6970*

#### AUDITORS

Office of the Auditor General (WC)

#### PRINCIPLE BANKERS

ABSA Bank, Beaufort West

#### ATTORNEYS

*Crawford Attorneys, Beaufort West*

#### RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004)  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
Infrastructure Grants  
SALBC Leave Regulations



# BEAUFORT WEST LOCAL MUNICIPALITY

## MEMBERS OF THE BEAUFORT WEST LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	Ms S. Nortje
2	Ms J. Jonas
3	Ms A.C.R. Madumbo
4	Mr E.Z. Njadu
5	Ms A. Maans
6	Ms A. Daniels
7	Mr W. Toto
Proportional	Mr J.J. van der Linde
Proportional	Ms M. Matunzi
Proportional	Mr P. Long
Proportional	Mr H.T. Prince
Proportional	Mr J. van Wyk
Proportional	Mr A. Lyon
Proportional	Mr A.D. Willemse
Proportional	Mr P.S. Botha

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 99 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

---

*Mr. J. Booysen*  
**Municipal Manager**

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31 August 2010  
**Date**

**BEAUFORT WEST LOCAL MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2010**

	Notes	2010 R	2009 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>		<b>135,789,581</b>	<b>110,241,782</b>
Capital Replacement Reserve	2	2,138,834	2,236,414
Housing Development Fund	2	3,710,453	3,432,795
Self Insurance Reserve	2	424,668	343,044
Accumulated Surplus/(Deficit)		129,515,626	104,229,529
<b>Non-Current Liabilities</b>		<b>26,730,932</b>	<b>21,624,640</b>
Long-term Liabilities	3	10,687,555	6,738,915
Employee benefits	4	13,862,977	13,087,725
Non-Current Provisions	5	2,180,400	1,798,000
<b>Current Liabilities</b>		<b>42,768,762</b>	<b>40,174,028</b>
Consumer Deposits	6	999,104	850,295
Current Employee benefits	7	3,966,750	3,033,460
Trade and other payables	8	11,654,136	11,762,276
Unspent Conditional Government Grants and Receipts	9	20,432,455	20,708,011
Unspent Public Contributions	10	1,315,255	407,770
Operating Lease Liability	19.1	3,167	2,827
Cash and Cash Equivalents	20	2,193,884	1,468,125
Current Portion of Long-term Liabilities	3	2,204,011	1,941,265
<b>Total Net Assets and Liabilities</b>		<b>205,289,274</b>	<b>172,040,450</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>144,982,155</b>	<b>126,178,774</b>
Property, Plant and Equipment	12	139,258,119	119,464,034
Investment Property	13	1,535,534	1,594,739
Intangible Assets	14	73,504	6,832
Long-Term Receivables	15	4,114,998	5,113,169
<b>Current Assets</b>		<b>60,307,119</b>	<b>45,861,676</b>
Inventory	16	2,171,659	2,157,759
Trade Receivables from exchange transactions	17	19,123,933	10,860,112
Other Receivables from non-exchange transactions	18	7,644,493	4,038,872
Unpaid Conditional Government Grants and Receipts	9	388,381	692,639
Operating Lease Asset	19.2	8,317	7,464
Taxes	11	135,918	889,460
Current Portion of Long-term Receivables	15	1,053	1,044
Cash and Cash Equivalents	20	30,833,366	27,214,326
<b>Total Assets</b>		<b>205,289,274</b>	<b>172,040,450</b>

**BEAUFORT WEST LOCAL MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010**

	Notes	2010 (Actual) R	2009 (Restated) R	Correction of error R	2009 (Previously reported) R
<b>REVENUE</b>					
<b>Revenue from Non-exchange Transactions</b>		<b>106,208,489</b>	<b>93,589,295</b>	<b>(1,761,978)</b>	<b>95,351,273</b>
<b>Taxation Revenue</b>		<b>16,756,058</b>	<b>13,703,950</b>	<b>(124,341)</b>	<b>13,828,291</b>
Property taxes	21	16,756,058	13,703,950	(124,341)	13,828,291
<b>Transfer Revenue</b>		<b>82,024,818</b>	<b>69,220,186</b>	<b>-</b>	<b>69,220,186</b>
Government Grants and Subsidies - Capital	22	21,199,783	16,521,307	-	16,521,307
Government Grants and Subsidies - Operating	22	60,825,035	52,698,879	-	52,698,879
<b>Other Revenue</b>		<b>7,427,612</b>	<b>10,665,159</b>	<b>(1,637,636)</b>	<b>12,302,796</b>
Actuarial Gains		-	229,587	-	229,587
Fines		7,427,612	10,435,573	(1,637,636)	12,073,209
<b>Revenue from Exchange Transactions</b>		<b>58,459,542</b>	<b>47,505,902</b>	<b>(5,190,360)</b>	<b>52,696,263</b>
Property Rates - penalties imposed and collection charges		442,517	1,166,854	-	1,166,854
Service Charges	23	52,397,040	42,441,957	(5,190,360)	47,632,317
Rental of Facilities and Equipment		720,272	576,493	-	576,493
Interest Earned - external investments		2,091,119	1,284,998	-	1,284,998
Interest Earned - outstanding debtors		646,704	-	-	-
Licences and Permits		624,958	543,461	-	543,461
Agency Services		430,315	407,258	-	407,258
Other Income	24	1,106,618	1,084,880	-	1,084,880
<b>Total Revenue</b>		<b>164,668,031</b>	<b>141,095,197</b>	<b>(6,952,338)</b>	<b>148,047,535</b>
<b>EXPENDITURE</b>					
Employee related costs	25	40,692,623	34,646,148	-	34,646,148
Remuneration of Councillors	26	3,281,879	3,061,375	-	3,061,375
Debt Impairment	27	263,822	6,239,184	-	6,239,184
Collection Cost		329,264	298,603	-	298,603
Depreciation and Amortisation		7,715,104	6,609,328	(2,759,033)	9,368,361
Impairments	28	38,640	34,319	-	34,319
Repairs and Maintenance		10,571,613	11,677,338	144,682	11,532,656
Actuarial losses	4	106,274	2,092,773	-	2,092,773
Finance Charges	29	2,590,552	2,133,613	-	2,133,613
Bulk Purchases	30	20,992,353	16,237,619	-	16,237,619
Contracted services		2,381,585	3,681,797	-	3,681,797
Grants and Subsidies Paid	31	49,532	51,000	(5,314,702)	5,365,702
Other Operating Grant Expenditure		41,628,280	37,010,002	-	37,010,002
General Expenses	32	8,940,340	8,584,189	(144,682)	8,728,870
<b>Total Expenditure</b>		<b>139,581,860</b>	<b>132,357,288</b>	<b>(8,073,735)</b>	<b>140,431,022</b>
<b>Operating Surplus for the Year</b>		<b>25,086,171</b>	<b>8,737,910</b>	<b>1,121,397</b>	<b>7,616,513</b>
Loss on disposal of Property, Plant and Equipment/Investment Property		-	-	-	-
Gain on disposal of Property, Plant & Equipment/Investment Property		461,628	2,274,385	-	2,274,385
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>25,547,799</b>	<b>11,012,295</b>	<b>1,121,397</b>	<b>9,890,898</b>

**BEAUFORT WEST LOCAL MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2010**

	Self Insurance Reserve	Government Grant Reserve	Public Contributions Reserve	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R	R	R	R	R
<b>Balance at 1 JULY 2008</b>	<b>325,478</b>	<b>91,368,015</b>	<b>1,648,707</b>	<b>3,256,012</b>	<b>2,132,031</b>	<b>2,323,035</b>	<b>12,612,071</b>	<b>113,665,350</b>
Correction of error - See Note 34.12	-	-	-	-	-	-	(14,435,862)	(14,435,862)
Change in accounting policy - See Note 33.04	-	(91,368,015)	(1,648,707)	-	-	(2,323,035)	95,339,757	-
<b>Restated Balance at 1 JULY 2008</b>	<b>325,478</b>	-	-	<b>3,256,012</b>	<b>2,132,031</b>	-	<b>93,515,966</b>	<b>99,229,488</b>
Net Surplus/(Deficit) for the year	-	-	-	-	-	-	9,890,898	9,890,898
Correction of error - See Note 34.13	-	-	-	-	-	-	1,121,397	1,121,397
Contribution to Insurance Reserve	613,253	-	-	-	-	-	(613,253)	-
Insurance claims processed	(595,687)	-	-	-	-	-	595,687	-
Transfer from CRR	-	-	-	-	3,726,422	-	(3,726,422)	-
Property, Plant and Equipment purchased	-	-	-	-	(3,622,039)	-	3,622,039	-
Transfer to Housing Development Fund	-	-	-	176,783	-	-	(176,783)	-
<b>Balance at 30 JUNE 2009</b>	<b>343,044</b>	-	-	<b>3,432,795</b>	<b>2,236,414</b>	-	<b>104,229,529</b>	<b>110,241,782</b>
Correction of error - See Note 34.12	-	-	-	-	-	-	-	-
<b>Restated Balance at 1 JULY 2009</b>	<b>343,044</b>	-	-	<b>3,432,795</b>	<b>2,236,414</b>	-	<b>104,229,529</b>	<b>110,241,782</b>
Net Surplus/(Deficit) for the year	-	-	-	-	-	-	25,547,799	25,547,799
Transfer to CRR	-	-	-	-	1,533,308	-	(1,533,308)	-
Property, Plant and Equipment purchased	-	-	-	-	(1,630,888)	-	1,630,888	-
Contribution to Insurance Reserve	511,366	-	-	-	-	-	(511,366)	-
Insurance claims processed	(429,742)	-	-	-	-	-	429,742	-
Transfer to Housing Development Fund	-	-	-	277,658	-	-	(277,658)	-
<b>Balance at 30 JUNE 2010</b>	<b>424,668</b>	-	-	<b>3,710,453</b>	<b>2,138,834</b>	-	<b>129,515,626</b>	<b>135,789,581</b>

**BEAUFORT WEST LOCAL MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010**

	<b>Notes</b>	<b>2010 R</b>	<b>2009 R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other - Exchange Transactions		51,582,153	33,488,280
Cash receipts from ratepayers, government and other - Non-Exchange Transactions		102,138,382	103,446,702
Cash payments to suppliers and employees		(128,485,670)	(103,003,114)
Cash receipts and payments on VAT transactions		(753,542)	1,181,296
Cash generated/(absorbed) by operations	<b>35</b>	24,481,323	35,113,165
Interest Received		2,737,822	1,284,998
Interest Paid		(2,590,552)	(2,133,613)
<b>Net Cash from Operating Activities</b>		<b>24,628,593</b>	<b>34,264,550</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment		(27,447,287)	(24,156,044)
Proceeds on Disposal of Fixed Assets		429,826	2,303,350
Purchase of Intangible Assets		(76,208)	-
<b>Net Cash from Investing Activities</b>		<b>(27,093,669)</b>	<b>(21,852,693)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
New loans raised		6,506,688	300,870
New loans (repaid)		(2,295,302)	(2,069,559)
(Increase)/Decrease in Long-term Receivables		998,161	42,950
Increase/(Decrease) in Consumer Deposits		148,809	116,719
Rounding		0	(1)
<b>Net Cash from Financing Activities</b>		<b>5,358,356</b>	<b>(1,609,021)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,893,281</b>	<b>10,802,836</b>
Cash and Cash Equivalents at the beginning of the year		25,746,201	14,943,365
Cash and Cash Equivalents at the end of the year	<b>36</b>	28,639,482	25,746,201
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>2,893,281</b>	<b>10,802,836</b>

**ACCOUNTING PRINCIPLES AND POLICIES NOTES APPLIED IN THE  
FINANCIAL STATEMENTS**

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**1.1. BASIS OF PREPARATION**

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual financial statements have been prepared in accordance with Directive 5 “Determining the GRAP Reporting Framework”, issued by the Accounting Standards Board.

The standards are summarised as follows:

<b>GRAP 1</b>	Presentation of Financial Statements
<b>GRAP 2</b>	Cash Flow Statements
<b>GRAP 3</b>	Accounting Policies, Changes in Accounting Estimates and Errors
<b>GRAP 4</b>	The Effects of changes in Foreign Exchange Rates
<b>GRAP 5</b>	Borrowing Costs
<b>GRAP 6</b>	Consolidated and Separate Financial Statements
<b>GRAP 7</b>	Investments in Associate
<b>GRAP 8</b>	Interests in Joint Ventures
<b>GRAP 9</b>	Revenue from Exchange Transactions
<b>GRAP 10</b>	Financial Reporting in Hyperinflationary Economics
<b>GRAP 11</b>	Construction Contracts
<b>GRAP 12</b>	Inventories
<b>GRAP 13</b>	Leases
<b>GRAP 14</b>	Events after the reporting date
<b>GRAP 16</b>	Investment Property
<b>GRAP 17</b>	Property, Plant and Equipment (PPE)
<b>GRAP 19</b>	Provisions, Contingent Liabilities and Contingent Assets
<b>GRAP 100</b>	Non-Current Assets Held for Sale and Discontinued Operations
<b>GRAP 101</b>	Agricultural
<b>GRAP 102</b>	Intangible assets
<b>IPSAS 20</b>	Related Party Disclosure
<b>IFRS 3 (AC140)</b>	Business Combinations
<b>IFRS 4 (AC141)</b>	Insurance Contracts
<b>IFRS 6 (AC143)</b>	Exploration for and Evaluation of Mineral Resources
<b>IFRS 7 (AC144)</b>	Financial Instruments: Disclosure
<b>IFRS 12 (AC102)</b>	Income Taxes

<b>IAS 19 (AC116)</b>	Employee Benefits
<b>IAS 32 (AC125)</b>	Financial Instruments: Presentation
<b>IAS 39 (AC133)</b>	Recognition and Measurement
<b>SIC – 20 (AC421)</b>	Income Taxes – Recovery of Revaluated Non-Depreciable Assets
<b>SIC – 25 (AC425)</b>	Income Taxes – Changes in the Tax Status on an Entity or its Shareholders
<b>SIC – 29 (AC429)</b>	Service Concessions Arrangements – Disclosures
<b>IFRIC 2 (AC435)</b>	Members' Shares in Co-operative Entities and Similar Instruments
<b>IFRIC 4 (AC437)</b>	Determining whether an Arrangement contains a Lease
<b>IFRIC 9 (AC442)</b>	Reassessment of Embedded Derivatives
<b>IFRIC 12 (AC445)</b>	Service Concession Arrangements
<b>IFRIC 13 (AC446)</b>	Customer Loyalty Programmes
<b>IFRIC 14 (AC447) IAS19</b>	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
<b>IFRIC 15 (AC448)</b>	Agreements for the Construction of Real Estate
<b>IFRIC 16 (AC449)</b>	Hedges in a Net Investment in a Foreign Operation

Accounting policies for material transactions, events or conditions not covered by the above GRAP have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

A summary of the significant accounting policies, which have been consistently applied except where an exemption or transitional provision has been granted, are disclosed below.

Assets, liabilities, revenue and expenses have not been offset except when offsetting is permitted or required by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant notes to the Financial Statements.

In terms of Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities" issued by the Accounting Standards Board the municipality has adopted the transitional provisions for the following GRAP Standards:

GRAP 12 – Inventories  
 GRAP 16 – Investment Property  
 GRAP 17 – Property, Plant and Equipment  
 GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets  
 GRAP 100 – Non-current Assets Held for Sale and Discontinued Operations  
 GRAP 102 – Intangible Assets

## **1.2. PRESENTATION CURRENCY**

Amounts reflected in the financial statements are in South African Rand and at actual values. No financial values are given in an abbreviated display format. No foreign exchange transactions are included in the statements.

**1.3. GOING CONCERN ASSUMPTION**

These annual financial statements have been prepared on a going concern basis.

**1.4. COMPARATIVE INFORMATION**

Budget information in accordance with GRAP 1, has been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated, unless a standard of GRAP does not require the restatements of comparative information. The nature and reason for the reclassification is disclosed. Where material accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

**1.5. STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE**

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

<b>GRAP 18</b>	<b>Segment Reporting</b> Information to a large extent is already included in Appendix D of the annual financial statements. When the Standard becomes effective the information will form part of the audited financial statements.
<b>GRAP 21</b>	<b>Impairment of non-cash-generating assets</b> The municipality complies with IPSAS 21 which forms part of the GRAP Framework in terms of Directive 5. Minimal adjustments will be required to the financial statements.
<b>GRAP 23</b>	<b>Revenue from Non-Exchange Transactions (Taxes and Transfers)</b> The Municipality has already changed its structure of the financial statements and accounting policy to be in line with GRAP 23. Minimal adjustments will be required to the financial statements.
<b>GRAP 24</b>	<b>Presentation of Budget Information in Financial Statements</b> Information to a large extent is already included in Appendix E(1) and E(2) of the annual financial statements. When the Standard becomes effective the information will form part of the audited financial statements.
<b>GRAP 25</b>	<b>Employee Benefits</b> The municipality complies with IAS 19 which forms part of the GRAP Framework in terms of Directive 5. Minimal adjustments will be required to the financial statements.
<b>GRAP 26</b>	<b>Impairment of cash-generating assets</b> The municipality complies with IAS 36 which forms part of the GRAP Framework in terms of Directive 5. Minimal adjustments will be required to the financial statements.
<b>GRAP 103</b>	<b>Heritage Assets</b>



	No adjustments will necessary other than a separate line item in the Statement of Financial Position and the transfer of the values from property, plant and equipment.
<b>GRAP 104</b>	<b>Financial Instruments</b> The municipality complies with IAS 32, 39 and IFRS 7 which forms part of the GRAP Framework in terms of Directive 5. Minimal adjustments will be required to the financial statements.

## **1.6. RESERVES**

### **1.6.1 Capital Replacement Reserve (CRR)**

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus / (deficit) to the CRR according to the Funding and Reserve Policy. The cash in the CRR can only be utilized to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus / (Deficit) are credited by a corresponding amount when the amounts in the CRR are utilized.

### **1.6.2 Housing Development Fund**

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government, used to finance housing selling schemes undertaken by the Municipality, were extinguished on 1 April 1998 and transferred to the Housing Development Fund. Housing selling schemes, both completed and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income, interest and sale of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial Department responsible for housing.

### **1.6.3 Self Insurance Reserve**

A Self Insurance Reserve has been established and, subject to external insurance where deemed necessary, covers claims that may occur. Premiums are charged to the respective services taking into account claims history and replacement value of the insured assets.

- Contributions to the fund by Business Units are transferred via the Statement of Changes in Net Assets to the reserve in line with amounts budgeted for in the operating budget. The contributions to the reserve are charged to the Business Units based on the previous year's insured value of the assets under their control.
- The Council determines annually to contribute to the Self Insurance Reserve.
- The total amount of insurance premiums paid to external insurers are regarded as expenses and must be shown as such in the Statement of Financial Performance. These premiums do not affect the Self Insurance Reserve.
- Claims received from external insurers are recognised as revenue in the Statement of Financial Performance.
- Claims received to meet repairs of damages on assets are reflected as income in the statement of financial performance.
- Repair and replacement costs not fully covered by external insurance are financed from the insurance reserve. The repair and replacement cost is regarded as an expense and is reflected in the Statement of financial performance. An amount equal

to the expense is transferred from the Insurance Reserve to the Unappropriated Surplus via the Statement of changes in net assets.

- Amounts paid on behalf of employees in respect of medical costs for injuries sustained whilst on duty are regarded as expenses and are recorded in the Statement of Financial Performance when incurred. An amount equal to these expenses is transferred from the Insurance Reserve to the Unappropriated Surplus account via the Statement of Changes in Net Assets.

## **1.7. LEASES**

### **1.7.1 Municipality as Lessee**

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or intangible assets subject to finance lease agreements are initially recognised at the lower of the asset's fair value and the present value of the minimum lease payments. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant and equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to derecognition of financial instruments are applied to lease payables.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised on a straight-line basis over the term of the relevant lease.

### **1.7.2 Municipality as Lessor**

Under a finance lease, the municipality recognises the lease payments to be received in terms of a lease agreement as an asset (receivable). The receivable is calculated as the sum of all the minimum lease payments to be received, plus any unguaranteed residual accruing to the municipality, discounted at the interest rate implicit in the lease. The receivable is reduced by the capital portion of the lease instalments received, with the interest portion being recognised as interest revenue on a time proportionate basis. The accounting policies relating to derecognition and impairment of financial instruments are applied to lease receivables.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## **1.8. UNSPENT CONDITIONAL GRANTS**

Unspent conditional grants are financial liabilities that are separately reflected on the Statement of Financial Position. They represent unspent government grants, subsidies and contributions from the public.

This liability always has to be cash-backed. The following provisions are set for the creation and utilisation of this creditor:

- Unspent conditional grants are recognised as a liability when the grant is received.
- When grant conditions are met an amount equal to the conditions met are transferred to revenue in the Statement of Financial Performance.
- The cash which backs up the creditor is invested until it is utilised.
- Interest earned on the investment is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the creditor. If it is the Municipality's income it is recognised as interest earned in the Statement of Financial Performance.

## **1.9. PROVISIONS**

Provisions are recognised when the municipality has a present legal or constructive obligation as a result of past events, it is possible that an outflow of resource embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability (for example in the case of obligations for the rehabilitation of land).

The municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is possible.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

A provision for restructuring costs is recognised only when the following criteria over and above the recognition criteria of a provision have been met:

- (a) The municipality has a detailed formal plan for the restructuring identifying at least:
- the business or part of a business concerned;
  - the principal locations affected;
  - the location, function and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented.
- (b) The municipality has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the reporting date.

Provisions shall be reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provision shall be reversed.

## **1.10. EMPLOYEE BENEFITS**

### **(a) *Post Retirement Medical obligations***

The municipality provides post-retirement medical benefits by subsidizing the medical aid contributions of certain retired staff according to the rules of the medical aid funds. Council pays 70% as contribution and the remaining 30% are paid by the members. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The present value of the defined benefit liability is actuarially determined in accordance with IAS 19 – Employee benefits (using a discount rate applicable to high quality government bonds). The plan (benefit) is unfunded.

These contributions are charged to the Statement of Financial Performance when employees have rendered the service entitling them to the contribution. The unrecognised liability was calculated by means of the projected unit credit actuarial valuation method. The liability in respect of current pensioners is regarded as fully accrued, and is therefore not split between a past (or accrued) and future in-service element. The liability is recognised at the fair value of the obligation.

Actuarial gains and losses arising from the experience adjustments and changes in actuarial assumptions, is charged or credited to the Statement of Financial Performance in the period that it occurs. These obligations are valued periodically by independent qualified actuaries.

### **(b) *Accrued Leave Pay***

Liabilities for annual leave are recognised as they accrue to employees. The liability is based on the total amount of leave days due to employees at year end and also on the basic remuneration of the employee.

### **(c) *Long Service Awards***

Long service awards are provided to employees who achieve certain pre-determined milestones of service within the municipality. The municipality's obligation under these plans is valued by independent qualified actuaries periodically and the corresponding liability is raised. Payments are set-off against the liability, including notional interest, resulting from the valuation by the actuaries and are charged against the Statement of Financial Performance as employee benefits upon valuation.

### **(d) *Performance Bonuses***

The calculation of the provision for performance bonuses for key management at year end is based on the previous year performance.

## **1.11. PROPERTY, PLANT AND EQUIPMENT**

### **1.11.1 *Initial Recognition***

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended

by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the assets acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

#### **1.11.2 Subsequent Measurement – Revaluation Model**

Subsequent to initial recognition, Property, Plant and Equipment are carried at a revalued amount, unless otherwise stated in the relevant Notes to the Financial Statements, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

#### **1.11.3 Subsequent Measurement – Cost Model**

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits associated with the asset.

#### **1.11.4 Depreciation and Impairment**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are

depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual depreciation rates are based on the following estimated useful lives

	<b>Years</b>		<b>Years</b>
<b><u>Infrastructure</u></b>		<b><u>Other</u></b>	
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
Housing	30	Watercraft	15
		Bins and containers	5
<b><u>Community</u></b>		Specialised plant and Equipment	10-15
Buildings	30	Other plant and Equipment	2-5
Recreational Facilities	20-30	Landfill sites	15
Security	5	Quarries	25
Halls	20-30	Emergency equipment	10
Libraries	20-30	Computer equipment	3
Parks and gardens	15-20		
Other assets	15-20		
<b><u>Heritage assets</u></b>			
No depreciation			
<b><u>Finance lease assets</u></b>			
Office equipment	3		
Other assets	5		

Property, plant and equipment are reviewed at each reporting date for any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. The impairment charged to the Statement of Financial Performance is the excess of the carrying value over the recoverable amount.

An impairment is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised. A reversal of an impairment is recognised in the Statement of Financial Performance.

#### **1.11.5 De-recognition**

Items of property, plant and equipment are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### **1.12. INTANGIBLE ASSETS**

#### **1.12.1 Initial Recognition**

An intangible asset is an identifiable non-monetary asset without physical substance.

An asset meets the identifiability criterion in the definition of an intangible asset when it:

- is separable, i.e. is capable of being separated or divided from the entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, asset or liability; or
- arises from contractual rights (including rights arising from binding arrangements) or other legal rights (excluding rights granted by statute), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

#### **1.12.2 Subsequent Measurement – Cost Model**

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

#### **1.12.3 Amortisation and Impairment**

Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. Amortisation of an asset begins when it is available for use, i.e. when it is in the condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are amortised separately. The estimated useful lives, residual values and amortisation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis. The annual amortisation rates are based on the following estimated useful lives:

<b><u>Intangible Assets</u></b>	<b><u>Years</u></b>
Computer Software	3

#### **1.12.4 De-recognition**

Intangible assets are derecognised when the asset is disposed or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

### **1.13. INVESTMENT PROPERTY**

#### **1.13.1 Initial Recognition**

Investment property shall be recognised as an asset when, and only when:

- it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity, and
- the cost or fair value of the investment property can be measured reliably.

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods or services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the municipality accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

The cost of self-constructed investment property is the cost at date of completion.

#### **1.13.2 Subsequent Measurement – Cost Model**

Subsequent to initial recognition, items of investment property are measured at cost less accumulated depreciation and impairment losses. Land is not depreciated as it is deemed to have an indefinite useful life.

#### **1.13.3 Depreciation and Impairment**

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Depreciation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

<u>Investment Property</u>	<u>Years</u>
Buildings	30



**1.13.4 De-recognition**

Investment property is derecognised when it is disposed or when there are no further economic benefits expected from the use of the investment property. The gain or loss arising on the disposal or retirement of an item of investment property is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

**1.14. NON-CURRENT ASSETS HELD FOR SALE****1.14.1 Initial Recognition**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

**1.14.2 Subsequent Measurement**

Non-current assets held for sale (or disposal group) are measured at the lower of carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in surplus or deficit.

**1.15. IMPAIRMENT OF NON-FINANCIAL ASSETS**

The municipality assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the municipality estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. Impairment losses are recognised in the Statement of Financial Performance in those expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the municipality estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement.

## **1.16. INVENTORIES**

### **1.16.1 *Initial Recognition***

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-recoverable taxes, transport costs and any other costs in bringing the inventories to their current location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

### **1.16.2 *Subsequent Measurement***

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods, are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

In general, the basis of allocating cost to inventory items is the weighted average method.

## **1.17. FINANCIAL INSTRUMENTS**

Financial instruments recognised on the balance sheet include trade and other receivables, cash and cash equivalents, annuity loans and trade and other payables.

### **1.17.1 *Initial Recognition***

Financial instruments are initially recognised when the municipality becomes a party to the contractual provisions of the instrument at fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability

### **1.17.2 *Subsequent Measurement***

Financial Assets are categorised according to their nature as either financial assets at fair value through profit or loss, held-to-maturity, loans and receivables, or available for sale. Financial Liabilities are categorised as either at fair value through profit or loss or financial liabilities carried at amortised cost ("other"). The subsequent measurement of financial assets and liabilities depends on this categorisation and, in the absence of an approved GRAP Standard on Financial Instruments, is in accordance with IAS 39.

**1.17.2.1      Investments**

Investments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are categorised as either held-to-maturity where the criteria for that categorisation are met, or as loans and receivables, and are measured at amortised cost. Where investments have been impaired, the carrying value is adjusted by the impairments and is calculated as being the difference between the carrying amount and the present value of the expected future cash flows flowing from the instrument. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance. The balance as at 30 June included accumulated interest.

**1.17.2.2      Trade and Other Receivables**

Trade and other receivables are classified as loans and receivables, and are subsequently measured amortised cost using the effective interest rate method.

For amounts due from debtors carried at amortised cost, the municipality first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue). If the municipality determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the Statement of Financial Performance. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the municipality. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the income statement.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate, if material. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

**1.17.2.3      Trade Payables and Borrowings**

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost using an effective interest rate, which is the initial carrying amount, less repayments, plus interest.

**1.17.2.4      Cash and Cash Equivalents**

Cash includes cash on hand (including petty cash) and cash with banks (cash book balance). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, highly liquid deposits and net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as financial liabilities: other financial liabilities carried at amortised cost.

**1.17.3   De-recognition of Financial Instruments**

**1.17.3.1      Financial Assets**

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the municipality has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the municipality has transferred substantially all the risks and rewards of the asset, or (b) the municipality has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the municipality has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of the municipality's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the municipality could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash settled option or similar provision) on the transferred asset, the extent of the municipality's continuing involvement is the amount of the transferred asset that the municipality may repurchase, except that in the case of a written put option (including a cash settled option or similar provision) on an asset measured at fair value, the extent of the municipality's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

**1.17.3.2      Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and

the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of Financial Performance.

#### **1.17.4 Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### **1.18. REVENUE**

#### **1.18.1 Revenue from Non-Exchange Transactions**

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Interest on unpaid rates is recognised on a time proportionate basis as an exchange transaction.

Fine Revenue constitutes both spot fines and summonses. Revenue from spot fines and summonses is recognised based on an estimation of future collections of fines issued based on prior period trends and collection percentages.

Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the municipality. Where public contributions have been received but the municipality has not met the related conditions, it is recognised as an unspent public contribution (liability).

Revenue from third parties i.e. insurance payments for assets impaired, are recognised when it can be measured reliably and is not being offset against the related expenses of repairs or renewals of the impaired assets.

Contributed property, plant and equipment is recognised when such items of property, plant and equipment qualifies for recognition and become available for use by the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

Revenue shall be measured at the fair value of the consideration received or receivable.

When, as a result of a non-exchange transaction, a municipality recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the present obligation at the reporting date, and the amount of

the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability will be recognised as revenue.

### **1.18.2 Revenue from Exchange Transactions**

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered/ goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption and a basic charge as per Council resolution. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period.

Revenue from the sale of electricity prepaid meter cards is recognised at the point of sale.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse points per property.

Service charges relating to sewerage are recognised on a monthly basis in arrears by applying the approved tariff. Tariffs are determined per category.

Service charges from sewerage are based on a basic charge as per Council resolution.

Interest revenue is recognised using the effective interest rate method.

Revenue from the rental of facilities and equipment is recognised on a straight-line basis over the term of the lease agreement.

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend.

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant tariff. This includes the issuing of licences and permits.

Revenue from the sale of goods is recognised when substantially all the risks and rewards in those goods are passed to the consumer.

Revenue arising out of situations where the municipality acts as an agent on behalf of another entity (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Revenue shall be measured at the fair value of the consideration received or receivable.

The amount of revenue arising on a transaction is usually determined by agreement between the entity and the purchaser or user of the asset or service. It is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the entity.

In most cases, the consideration is in the form of cash or cash equivalents and the amount of revenue is the amount of cash or cash equivalents received or receivable. However, when the inflow of cash or cash equivalents is deferred, the fair value of the consideration may be less than the nominal amount of cash received or receivable. When the arrangement effectively constitutes a financing transaction, the fair value of the consideration is determined by discounting all future receipts using an imputed rate of interest. The imputed rate of interest is the more clearly determinable of either:

- The prevailing rate for a similar instrument of an issuer with a similar credit rating; or
- A rate of interest that discounts the nominal amount of the instrument to the current cash sales price of the goods or services.

The difference between the fair value and the nominal amount of the consideration is recognised as interest revenue and in accordance with the relevant Standards of GRAP on Financial Instruments.

When goods or services are exchanged or swapped for goods or services which are of a similar nature and value, the exchange is not regarded as a transaction that generates revenue. When goods are sold or services are rendered in exchange for dissimilar goods or services, the exchange is regarded as a transaction that generates revenue. The revenue is measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, the revenue is measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

#### **1.18.3 Grants, Transfers and Donations (Non-Exchange Revenue)**

Grants, transfers and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

#### **1.19. RELATED PARTIES**

Individuals as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. It includes full-time councillor, being the Mayor. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

#### **1.20. UNAUTHORISED EXPENDITURE**

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in a form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No. 56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.21. IRREGULAR EXPENDITURE**

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No. 56 of 2003), the Municipal Systems Act (Act No. 32 of 200), the Public Office Bearers Act, and (Act. No. 20 of 1998) or is in contravention of the Municipality's Supply Chain Management Policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.22. FRUITLESS AND WASTEFUL EXPENDITURE**

Fruitless and wasteful expenditure is expenditure that was made in vain and could have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

**1.23. CONTINGENT LIABILITIES**

All known contingent liabilities are reflected in the financial statements.

**1.24. CONTINGENT ASSETS**

A contingent asset is a possible asset that arises from past events, and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the municipality. The municipality recognise contingent assets.

**1.25. CAPITAL COMMITMENTS**

Capital commitments existed with regards to capital projects of the municipality. All known capital commitments are reflected in the notes to financial statements.

**1.26. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

In the process of applying the Municipality's accounting policy, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

***Operating lease commitments – the Municipality as lessor***

The Municipality has entered into commercial property leases on its investment property portfolio. The Municipality has determined that it retains all the significant risks and rewards of ownership of these properties, and so accounts for them as operating leases.

***Medical and other post-employment benefits***

The cost of defined benefit plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future medical increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.



***Impairment of trade receivables***

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their creditworthiness. This was performed per service-identifiable categories across all classes of debtors.

***Property, plant and equipment***

The useful lives of assets are based on management's estimation. Management considers the impact of technology, availability of capital funding, service requirements and required return on assets to determine the optimum useful life expectation, where appropriate. The estimation of residual values of assets is also based on management's judgement whether the assets will be sold or used to the end of their useful lives, and in what condition they will be at that time.

***Provisions and contingent liabilities***

Management judgement is required when recognising and measuring provisions and when measuring contingent liabilities. Provisions are discounted where the effect of discounting is material using actuarial valuations.

***Revenue Recognition***

Accounting Policy 1.19.1 on Revenue from Non-Exchange Transactions and Accounting Policy 1.19.2 on Revenue from Exchange Transactions describes the conditions under which revenue will be recognised by management of the municipality.

In making their judgement, management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GAMAP 9: Revenue, as far as Revenue from Non-Exchange Transactions is concerned (see Basis of Preparation note 1.19 above). Specifically, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been performed. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

**1.27. TAXES – VALUE ADDED TAX**

Revenue, expenses and assets are recognised net of the amounts of value added tax. The net amount of Value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**1.28. AMENDED DISCLOSURE POLICY**

Amendments to accounting policies are reported as and when deemed necessary based on the relevance of any such amendment to the format and presentation of the financial statements.

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	2010 R	2009 R
<b>2 NET ASSET RESERVES</b>		
RESERVES	6,273,955	6,012,253
Capital Replacement Reserve	2,138,834	2,236,414
Housing Development Fund	3,710,453	3,432,795
Self Insurance Reserve	424,668	343,044
<b>Total Net Asset Reserve and Liabilities</b>	<b>6,273,955</b>	<b>6,012,253</b>

The above balances are represented by cash of R117 700 for the current year and R99 821 (2009) and is invested together with the other investments of the municipality (See Note 20)

	2010 R	2009 R
<b>3 LONG TERM LIABILITIES</b>		
Annuity Loans - At amortised cost	11,016,227	7,991,433
Correction of Long term Liabilities to excluding accruals with Trade and other Payables Note 8	-	(169,254)
VAT calculation corrected for PPE out of External Loans - Note 12	-	17,710
Capitalised Lease Liability - At amortised cost	1,875,339	840,291
	<b>12,891,566</b>	<b>8,680,180</b>
<b>Less:</b> Current Portion transferred to Current Liabilities	<b>2,204,011</b>	<b>1,941,265</b>
Annuity Loans - At amortised cost	1,402,614	1,229,881
Capitalised Lease Liability - At amortised cost	801,397	711,384
<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<b>10,687,555</b>	<b>6,738,915</b>

Annuity loans at amortised cost is calculated at 6.75%-16.24% interest rate, with last maturity date of 31 December 2029. Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

The obligations under annuity loans are scheduled below:

Amounts payable under annuity loans:

	2010 R	2009 R
Payable within one year	2,615,666	2,300,694
Payable within two to five years	7,965,017	6,621,014
Payable after five years	7,764,481	3,002,559
	<b>18,345,164</b>	<b>11,924,266</b>
<b>Less:</b> Future finance obligations	<b>(7,328,937)</b>	<b>(4,084,377)</b>
<b>Present value of annuity obligations</b>	<b>11,016,227</b>	<b>7,839,889</b>

The obligations under finance leases are scheduled below:

Amounts payable under finance leases:

	2010 R	2009 R
Payable within one year	979,407	743,064
Payable within two to five years	1,178,813	164,767
Payable after five years	-	-
	<b>2,158,219</b>	<b>907,831</b>
<b>Less:</b> Future finance obligations	<b>(282,881)</b>	<b>(67,540)</b>
<b>Present value of lease obligations</b>	<b>1,875,339</b>	<b>840,291</b>

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Leases are secured by property, plant and equipment - Note 12

	2010 R	2009 R
<b>4 EMPLOYEE BENEFITS</b>		
Post Retirement Benefits - Refer to Note 4.1	12,409,386	11,662,312
Long Service Awards - Refer to Note 4.2	1,453,591	1,425,413
<b>Total Non-current Employee Benefit Liabilities</b>	<b>13,862,977</b>	<b>13,087,725</b>
<b><u>Post Retirement Benefits</u></b>		
Balance 1 July	12,268,420	9,797,000
Contribution for the year	(710,194)	(598,353)
Expenditure for the year	1,398,988	977,000
Actuarial Loss/(Gain)	104,086	2,092,773
<b>Total post retirement benefits 30 June</b>	<b>13,061,300</b>	<b>12,268,420</b>
<b>Less:</b> Transfer of Current Portion - Note 7	<b>(651,914)</b>	<b>(606,108)</b>
<b>Balance 30 June</b>	<b>12,409,386</b>	<b>11,662,312</b>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

4	EMPLOYEE BENEFITS (CONTINUE)	2010 R	2009 R
	<b><u>Long Service Awards</u></b>		
	Balance 1 July	1,557,968	1,460,810
	Contribution for the year	(134,743)	(18,935)
	Expenditure for the year	314,973	345,680
	Actuarial Loss/(Gain)	2,188	(229,587)
	<b>Total long service 30 June</b>	<b>1,740,386</b>	<b>1,557,968</b>
	<b>Less:</b> Transfer of Current Portion - Note 7	(286,795)	(132,555)
	<b>Balance 30 June</b>	<b>1,453,591</b>	<b>1,425,413</b>

	2010 R	2009 R
<b><u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u></b>		
Balance 1 July	13,826,388	11,257,810
Contribution for the year	(844,937)	(617,288)
Expenditure for the year	1,713,961	1,322,680
Actuarial Loss/(Gain)	106,274	1,863,186
<b>Total employee benefits 30 June</b>	<b>14,801,686</b>	<b>13,826,388</b>
<b>Less:</b> Transfer of Current Portion - Note 7	(938,709)	(738,663)
<b>Balance 30 June</b>	<b>13,862,977</b>	<b>13,087,725</b>

4.1 Post Retirement Benefits

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	50	50
Continuation members (e.g. Retirees, widows, orphans)	28	28
<b>Total Members</b>	<b>78</b>	<b>78</b>

	2010 R	2009 R
In-service members	4,234,313	3,977,271
Continuation members	8,826,987	8,291,149
<b>Total Liability</b>	<b>13,061,300</b>	<b>12,268,420</b>

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
LA Health  
Hosmed  
Samwumed; and  
Keyhealth.

The Municipality's Accrued Unfunded Liability at 30 June 2010 is estimated at R 13,061,300. The Current-service Cost for the year ending 30 June 2010 is estimated at R 294,633. It is estimated to be R 321,811 for the ensuing year.

Key actuarial assumptions used:

	2010 %	2009 %
<b>i) Rate of interest</b>		
Discount rate	9.22%	9.22%
Health Care Cost Inflation Rate	7.56%	7.56%
Net Effective Discount Rate	1.55%	1.55%

**ii) Mortality rates**

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

**iii) Normal retirement age**

It has been assumed that in-service members will retire at age 63 for males and 58 for females, which then implicitly allows for expected rates of early and ill-health retirement.

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	13,061,300	12,268,420
<b>Net liability/(asset)</b>	<b>13,061,300</b>	<b>12,268,420</b>

The municipality has elected to recognise the full increase in this defined benefit liability immediately as per IAS 19, Employee Benefits, paragraph 155 (a).

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

4 EMPLOYEE BENEFITS (CONTINUE)

Reconciliation of present value of fund obligation:

	2010 R	2009 R
Present value of fund obligation at the beginning of the year	12,268,420	9,797,000
Total expenses	688,794	378,647
Current service cost	294,633	216,000
Interest Cost	1,104,355	761,000
Benefits Paid	(710,194)	(598,353)
Actuarial (gains)/losses	104,086	2,092,773
Present value of fund obligation at the end of the year	13,061,300	12,268,420
<b>Less:</b> Transfer of Current Portion - Note 7	(651,914)	(606,108)
<b>Balance 30 June</b>	<b>12,409,386</b>	<b>11,662,312</b>

Sensitivity Analysis on the Accrued Liability

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Central Assumptions	3.977	8.291	12.268	

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	1%	4.799	9.257	14.056	15%
Health care inflation	-1%	3.324	7.470	10.794	-12%
Post-retirement mortality	-1 year	4.101	8.611	12.713	4%
Average retirement age	-1 year	4.315	8.291	12.607	3%
Withdrawal Rate	-50%	4.337	8.291	12.628	3%

4.2 Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 309 employees were eligible for Long Service Bonuses.

The Employer's Unfunded Accrued Liability at 30 June 2010 is estimated at R 1,740,386. The Current-service Cost for the years ending 30 June 2010 and 30 June 2011 are estimated at R 178,503 and R 194,818 respectively.

Key actuarial assumptions used:

i) Rate of interest

	2010 %	2009 %
Discount rate	9.14%	9.14%
General Salary Inflation (long-term)	6.59%	6.59%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.40%	2.40%

The amounts recognised in the Statement of Financial Position are as follows:

	2010 R	2009 R
Present value of fund obligations	1,740,386	1,557,968
<b>Net liability/(asset)</b>	<b>1,740,386</b>	<b>1,557,968</b>

Reconciliation of present value of fund obligation:

	2010 R	2009 R
Present value of fund obligation at the beginning of the year	1,557,968	1,460,810
Total expenses	180,230	326,745
Current service cost	178,503	194,451
Interest Cost	136,470	151,229
Benefits Paid	(134,743)	(18,935)
Actuarial (gains)/losses	2,188	(229,587)
Present value of fund obligation at the end of the year	1,740,386	1,557,968
<b>Less:</b> Transfer of Current Portion - Note 7	(286,795)	(132,555)
<b>Balance 30 June</b>	<b>1,453,591</b>	<b>1,425,413</b>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

4 EMPLOYEE BENEFITS (CONTINUE)

Sensitivity Analysis on the Unfunded Accrued Liability

Assumption	Change	Liability (Rm)	% change
Central assumptions		1.558	
General salary inflation	1%	1.655	6%
General salary inflation	-1%	1.470	-6%
Average retirement age	-2 yrs	1.409	-10%
Average retirement age	2 yrs	1.759	13%
Withdrawal rates	-50%	1.773	14%

5 NON-CURRENT PROVISIONS

Provision for Rehabilitation of Landfill-sites	2,180,400	1,798,000
Provision for Clearing of Alien Vegetation	-	-
<b>Total Non-current Provisions</b>	<b>2,180,400</b>	<b>1,798,000</b>

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 51.1

	2010 R	2009 R
<b>Landfill Sites</b>		
Balance 1 July	1,798,000	-
Contribution for the year	382,400	1,798,000
<b>Balance 30 June</b>	<b>2,180,400</b>	<b>1,798,000</b>

Rehabilitation of the Beaufort West landfill-site (36ha plot), will be done in 2015. The current cost of rehabilitation in rand value is R2 180 400, with escalation of 10% per year will result in a total cost in 2015 of R3 511 611.

6 CONSUMER DEPOSITS

Water & Electricity	999,104	850,295
<b>Total Consumer Deposits</b>	<b>999,104</b>	<b>850,295</b>

The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.

7 CURRENT EMPLOYEE BENEFITS

Current Portion of Post Retirement Benefits - Note 4	651,914	606,108
Current Portion of Long-Service Provisions - Note 4	286,795	132,555
Performance Bonuses	357,679	337,243
Staff Leave	2,670,362	1,957,554
<b>Total Current Employee Benefits</b>	<b>3,966,750</b>	<b>3,033,460</b>

The movement in current employee benefits are reconciled as follows:

Performance Bonuses

Balance at beginning of year	337,243	267,442
Contribution to current portion	233,953	310,736
Expenditure incurred	(213,517)	(240,935)
<b>Balance at end of year</b>	<b>357,679</b>	<b>337,243</b>

Performance bonuses are being paid to Municipal Manager and Directors after an evaluation of performance by an executive performance committee.

Staff Leave

Balance at beginning of year	1,957,554	1,985,809
Contribution to current portion	834,688	120,319
Expenditure incurred	(121,880)	(148,574)
<b>Balance at end of year</b>	<b>2,670,362</b>	<b>1,957,554</b>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave.

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 51.1

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

<b>8</b>	<b>TRADE AND OTHER PAYABLES</b>	<b>2010</b>	<b>2009</b>
	Trade Payables	10,031,591	9,026,860
	Correction of Long term Liabilities to excluding accruals with Trade and other Payables Note 3	-	169,254
	Deposits: Other	822,017	757,656
	Payments received in advance	173,218	157,442
	Receivable accounts with credit balances	627,310	1,302,518
	Creating VAT on Trade and other Payables from 'Die Posmeester' not yet paid - Note 34.11 & 34.12	-	348,546
	Retentions	-	-
	VAT in Suspense	-	-
	Sundry Deposits	-	-
	<b>Total Trade Payables</b>	<b>11,654,136</b>	<b>11,762,276</b>

Payables are being paid within 30 days as prescribed by the MFMA. Payables are being recognised net of any discounts.

<b>9</b>	<b>UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS</b>	<b>2010</b>	<b>2009</b>
	<b>Unspent Grants</b>	20,432,455	20,708,011
	National and Provincial Government Grants	20,432,455	20,708,011
	<b>Less:</b> Unpaid Grants	388,381	692,639
	National and Provincial Government Grants	388,381	692,639
	<b>Total Conditional Grants and Receipts</b>	<b>20,044,073</b>	<b>20,015,371</b>

See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

<b>10</b>	<b>UNSPENT PUBLIC CONTRIBUTIONS</b>	<b>2010</b>	<b>2009</b>
	<b>Unspent Public Contribution</b>	1,315,255	407,770
	Public Contributions and Receipts	1,315,255	407,770

See appendix "F" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

<b>11</b>	<b>TAXES</b>	<b>2010</b>	<b>2009</b>
	VAT	(135,918)	1,335,796
	Adjustment to the VAT Output Account for output VAT declared erroneously - Note 34.11 & 34.12	-	(2,182,452)
	Creating VAT on Trade and other Payables from 'Die Posmeester' not yet paid - Note 34.02 & 34.12	-	(42,804)
		<b>(135,918)</b>	<b>(889,460)</b>

VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**12 PROPERTY, PLANT AND EQUIPMENT**

**Reconciliation of Carrying Value**

**30 JUNE 2010**

	Opening Balance R	Additions R	Cost Disposals R	Closing Balance R	Opening Balance R	Accumulated Depreciation Additions R	Disposals R	Closing Balance R	Carrying Value R
<b>Land and Buildings</b>	4,286,021	62,349	-	4,348,370	4,272	4,541	-	8,813	4,339,557
Land	4,142,632	-	-	4,142,632	-	-	-	-	4,142,632
Buildings	143,389	62,349	-	205,738	4,272	4,541	-	8,813	196,925
<b>Infrastructure</b>	141,023,993	22,592,123	-	163,616,116	60,431,257	3,620,903	-	64,052,160	99,563,956
Stormwater Network	9,915,634	1,654,156	-	11,569,791	5,354,794	319,367	-	5,674,161	5,895,629
Road Network	37,238,684	2,290,831	-	39,529,515	15,159,340	1,211,385	-	16,370,725	23,158,790
Sewerage Network	21,168,762	4,733,202	-	25,901,964	7,932,244	472,671	-	8,404,915	17,497,049
Electricity Network	47,501,969	6,857,404	-	54,359,373	20,687,026	926,333	-	21,613,359	32,746,014
Water Network	22,900,944	6,674,129	-	29,575,073	11,066,954	539,455	-	11,606,409	17,968,664
Refuse Network	2,298,000	382,400	-	2,680,400	230,898	151,693	-	382,591	2,297,809
<b>Community Assets</b>	38,284,242	157,033	-	38,441,275	11,023,127	1,581,331	-	12,604,458	25,836,817
Netball fields	28,556	-	-	28,556	23,767	1,124	-	24,891	3,664
Tennis courts	308,442	-	-	308,442	246,513	14,553	-	261,066	47,376
Swimming pools	775,058	-	-	775,058	664,798	36,452	-	701,250	73,808
Golf fields	109,440	-	-	109,440	76,351	5,178	-	81,530	27,910
Yoke-skey fields	180,115	-	-	180,115	83,583	8,555	-	92,139	87,977
Sport fields	23,674,901	99,066	-	23,773,966	6,757,696	1,119,007	-	7,876,702	15,897,264
Other Buildings	81,867	57,968	-	139,834	3,877	1,570	-	5,447	134,387
Plots	323,398	-	-	323,398	-	-	-	-	323,398
Ambulance and Fire Station	103,816	-	-	103,816	32,902	3,288	-	36,190	67,626
Cemeteries	412,546	-	-	412,546	73,193	13,064	-	86,257	326,289
Theatre and community centres	5,720,808	-	-	5,720,808	873,675	181,159	-	1,054,834	4,665,974
Clinics and hospitals	394,365	-	-	394,365	175,167	12,488	-	187,655	206,710
Parks and public conveniences	1,623,610	-	-	1,623,610	299,239	51,414	-	350,653	1,272,957
Recreation sites and logical gardens	39,367	-	-	39,367	17,466	1,247	-	18,713	20,654
Structure plans	332,210	-	-	332,210	315,600	-	-	315,600	16,611
Abattoirs	757	-	-	757	456	24	-	480	277
Caravan parks	57,173	-	-	57,173	35,229	1,810	-	37,040	20,134
Hostels & tourism	238,852	-	-	238,852	98,390	7,564	-	105,953	132,899
Office buildings	3,015,061	-	-	3,015,061	1,084,342	95,477	-	1,179,819	1,835,242
Markets	206,137	-	-	206,137	26,481	6,528	-	33,009	173,128
Libraries	657,764	-	-	657,764	134,402	20,829	-	155,231	502,532
<b>Lease Assets</b>	2,082,770	2,063,900	-784,700	3,361,970	1,322,947	1,015,682	-784,700	1,553,929	1,808,041
Office Equipment (Lease)	99,570	165,500	-28,400	236,670	58,202	57,949	-28,400	87,751	148,919
Vehicles (Lease)	1,983,200	1,898,400	-756,300	3,125,300	1,264,745	957,733	-756,300	1,466,178	1,659,122

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

Heritage Assets	Opening Balance R	Additions R	Cost Disposals R	Closing Balance R	Opening Balance R	Accumulated Depreciation Additions R	Disposals R	Closing Balance R	Carrying Value R
Museum & Art Gallery	735,062	-	-	735,062	176,258	23,277	-	199,535	535,526
<b>Other Assets</b>	<b>735,062</b>	<b>-</b>	<b>-</b>	<b>735,062</b>	<b>176,258</b>	<b>23,277</b>	<b>-</b>	<b>199,535</b>	<b>535,526</b>
	11,529,304	2,571,882	-242,319	13,858,868	5,519,496	1,400,630	-235,480	6,684,646	7,174,223
Computer hardware	1,830,070	306,074	-181,306	1,954,839	906,949	268,211	-175,149	1,000,012	954,827
Air conditioners	492,853	-	-	492,853	100,594	105,526	-	206,120	286,733
Chairs	255,067	44,898	-	299,965	118,917	31,265	-	150,183	149,782
Concrete Mixer	22,932	25,016	-	47,948	11,966	1,867	-	13,833	34,116
Desks & Tables	297,909	-	-	297,909	113,070	38,687	-	151,757	146,152
Compactors	25,129	35,056	-	60,185	14,382	2,640	-	17,022	43,163
Compressors	15,735	1,750	-	17,485	5,036	2,125	-	7,160	10,325
Tools	485,264	136,027	-	621,291	269,458	62,605	-	332,063	289,229
Electronic Equipment	417,369	103,408	-1,013	519,763	175,620	80,636	-933	255,323	264,441
Fire Extinguishers	20,588	-	-	20,588	5,804	4,093	-	9,897	10,691
Lawn Equipment	233,846	6,229	-	240,075	137,847	19,955	-	157,802	82,273
Trucks/LDV	4,712,957	1,689,363	-40,000	6,362,320	2,391,425	448,490	-39,925	2,799,990	3,562,330
Motor Vehicles	553,497	-	-	553,497	366,411	41,748	-	408,159	145,339
Office Equipment	424,980	34,383	-	459,363	162,209	70,792	-	233,001	226,362
Office Furniture	500,722	46,952	-	547,674	216,998	61,309	-	278,307	269,367
Trailers	444,537	-	-	444,537	200,734	56,887	-	257,621	186,916
Trackers	279,538	-	-20,000	259,538	117,773	17,771	-19,473	116,071	143,467
Toolbox	115,192	133,416	-	248,607	15,078	24,219	-	39,297	209,310
Gym Equipment	58,200	3,603	-	61,803	26,443	7,609	-	34,052	27,751
Generators	34,199	5,707	-	39,907	17,028	3,825	-	20,853	19,054
Radio Equipment	308,721	-	-	308,721	145,754	50,371	-	196,125	112,596
	197,941,392	27,447,287	-1,027,019	224,361,660	78,477,358	7,646,364	-1,020,180	85,103,541	139,258,119



BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

30 JUNE 2009

	Opening Balance R	Cost Additions R	Disposals R	Closing Balance R	Opening Balance R	Accumulated Depreciation Additions R	Disposals R	Closing Balance R	Carrying Value R
<b>Land and Buildings</b>	120,040	4,165,981	-	4,286,021	471	3,801	-	4,272	4,281,749
Land	-	4,142,632	-	4,142,632	-	-	-	-	4,142,632
Buildings	120,040	23,349	-	143,389	471	3,801	-	4,272	139,117
<b>Infrastructure</b>	121,983,905	19,040,088	-	141,023,993	57,432,929	2,998,328	-	60,431,257	80,592,736
Stormwater Network	8,871,281	1,044,353	-	9,915,634	5,165,387	189,408	-	5,354,794	4,560,840
Balance previously reported	-	-	-	-	2,628,021	401,235	-	3,029,257	-3,029,257
Correction of error. Refer note 34.04 & 34.05	-	-	-	-	2,537,365	-211,828	-	2,325,537	-2,325,537
Road Network	35,532,419	1,706,265	-	37,238,684	14,011,293	1,148,047	-	15,159,340	22,079,343
Balance previously reported	-	-	-	-	13,173,474	2,543,499	-	15,716,973	-15,716,973
Correction of error. Refer note 34.04 & 34.05	-	-	-	-	837,819	-1,395,452	-	-557,632	557,632
Sewerage Network	18,328,454	2,840,309	-	21,168,762	7,506,912	425,332	-	7,932,244	13,236,518
Balance previously reported	-	-	-	-	8,493,183	715,737	-	9,208,920	-9,208,920
Correction of error. Refer note 34.04 & 34.05	-	-	-	-	-986,271	-290,405	-	-1,276,676	1,276,676
Electricity Network	38,537,599	8,964,370	-	47,501,969	19,907,504	779,522	-	20,687,026	26,814,943
Balance previously reported	-	-	-	-	18,340,074	1,227,591	-	19,567,665	-19,567,665
Correction of error. Refer note 34.04 & 34.05	-	-	-	-	1,567,430	-448,069	-	1,119,362	-1,119,362
Water Network	20,214,151	2,686,792	-	22,900,944	10,642,762	424,192	-	11,066,954	11,833,990
Balance previously reported	-	-	-	-	8,873,190	701,696	-	9,574,887	-9,574,887
Correction of error. Refer note 34.04 & 34.05	-	-	-	-	1,769,571	-277,504	-	1,492,067	-1,492,067
Refuse Network	500,000	1,798,000	-	2,298,000	199,072	31,826	-	230,898	2,067,102
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	-	-	-	-	199,072	31,826	-	230,898	-230,898

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Opening Balance R	Additions R	Cost Disposals R	Closing Balance R	Opening Balance R	Accumulated Depreciation Additions R	Disposals R	Closing Balance R	Carrying Value R
<b>Community Assets</b>	38,045,121	239,121	-	38,284,242	9,451,851	1,571,476	-	11,023,127	27,261,115
Netball fields	28,556	-	-	28,556	22,414	1,353	-	23,767	4,789
Tennis courts	308,442	-	-	308,442	231,862	14,651	-	246,513	61,929
Swimming pools	775,058	-	-	775,058	627,983	36,815	-	664,798	110,260
Golf fields	109,440	-	-	109,440	71,153	5,198	-	76,351	33,088
Yoke-skey fields	180,115	-	-	180,115	75,028	8,555	-	83,583	96,532
Sport fields	23,435,780	239,121	-	23,674,901	5,649,132	1,108,564	-	6,757,696	16,917,205
Other Buildings	81,867	-	-	81,867	2,430	1,447	-	3,877	77,989
Plots	323,398	-	-	323,398	-	-	-	-	323,398
Ambulance and Fire Station	103,816	-	-	103,816	29,615	3,288	-	32,902	70,914
Cemeteries	412,546	-	-	412,546	60,129	13,064	-	73,193	339,353
Theatre and community centrums	5,720,808	-	-	5,720,808	692,516	181,159	-	873,675	4,847,133
Clinics and hospitals	394,365	-	-	394,365	162,678	12,488	-	175,167	219,198
Parks and public conveniences	1,623,610	-	-	1,623,610	247,824	51,414	-	299,239	1,324,372
Recreation sites and logical gardens	39,367	-	-	39,367	16,220	1,247	-	17,466	21,900
Structure plans	332,210	-	-	332,210	315,600	-	-	315,600	16,611
Abattoirs	757	-	-	757	432	24	-	456	301
Caravan parks	57,173	-	-	57,173	33,419	1,810	-	35,229	21,944
Hostels & tourism	238,852	-	-	238,852	90,826	7,564	-	98,390	140,462
Office buildings	3,015,061	-	-	3,015,061	988,865	95,477	-	1,084,342	1,930,719
Markets	206,137	-	-	206,137	19,953	6,528	-	26,481	179,656
Libraries	657,764	-	-	657,764	113,573	20,829	-	134,402	523,361
<b>Heritage Assets</b>	735,062	-	-	735,062	152,981	23,277	-	176,258	558,803
Museum & Art Gallery	735,062	-	-	735,062	152,981	23,277	-	176,258	558,803
<b>Housing Rental Stock</b>	-	-	-	-	-	-	-	-	-
Housing Schemes	-	-	-	-	-	-	-	-	-
Balance previously reported	12,906,554	679,292	-	13,585,846	7,591,639	430,218	-	8,021,857	16,043,715
Correction of error. Refer note 34.04 & 34.05	-12,906,554	-679,292	-	-13,585,846	-7,591,639	-430,218	-	-8,021,857	-16,043,715
<b>Lease Assets</b>	2,010,200	174,370	-101,800	2,082,770	680,924	690,274	-48,250	1,322,947	759,823
Office Equipment (Lease)	48,600	50,970	-	99,570	27,752	30,450	-	58,202	41,368
Balance previously reported	259,700	-	-	259,700	226,675	42,627	-	269,302	538,604
Correction of error. Refer note 34.04 & 34.05	-211,100	-	-	-211,100	-198,923	-12,177	-	-211,100	-422,200
Vehicles (Lease)	1,961,600	123,400	-101,800	1,983,200	653,172	659,824	-48,250	1,264,745	718,455
Balance previously reported	-	-	-	-	-	657,908	-48,250	706,159	1,315,816
Correction of error. Refer note 34.04 & 34.05	-	-	-	-	-	1,916	-	1,916	3,832

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Opening Balance R	Cost Additions R	Disposals R	Closing Balance R	Opening Balance R	Accumulated Depreciation Additions R	Disposals R	Closing Balance R	Carrying Value R
<b>Other Assets</b>	11,088,116	554,193	-113,005	11,529,304	4,359,799	1,268,402	-108,705	5,519,496	6,009,809
<b>Sundry Assets</b>	-	-	-	-	-	-	-	-	-
Balance previously reported	5,538,638	-	-	5,538,638	4,803,154	219,475	-8,338	5,030,966	10,045,258
Correction of error. Refer note 34.04 & 34.05	-5,538,638	-	-	-5,538,638	-4,803,154	-219,475	8,338	-5,030,966	-10,045,258
<b>Computer hardware</b>	1,826,484	105,308	-101,722	1,830,070	763,210	241,915	-98,176	906,949	923,121
Balance previously reported	2,268,484	-	-	2,268,484	1,490,853	220,195	-93,267	1,804,315	3,422,095
Correction of error. Refer note 34.04 & 34.05	-442,000	-	-	-442,000	-727,643	21,721	-4,909	-701,013	-1,411,844
<b>Air conditioners</b>	448,089	44,764	-	492,853	2,182	98,412	-	100,594	392,259
Balance previously reported	162,726	-	-	162,726	98,621	52,913	-	151,534	303,068
Correction of error. Refer note 34.04 & 34.05	285,363	-	-	285,363	-96,439	45,499	-	-50,940	-101,880
<b>Chairs</b>	237,773	19,203	-1,909	255,067	91,702	28,968	-1,753	118,917	136,149
Balance previously reported	241,973	-	-	241,973	134,314	30,146	-1,665	166,125	328,919
Correction of error. Refer note 34.04 & 34.05	-4,200	-	-	-4,200	-42,612	-1,177	-88	-43,702	-87,579
<b>Concrete Mixer</b>	22,932	-	-	22,932	10,099	1,867	-	11,966	10,966
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	22,932	-	-	22,932	10,099	1,867	-	11,966	23,931
<b>Desks &amp; Tables</b>	253,761	44,148	-	297,909	79,113	33,957	-	113,070	184,839
Balance previously reported	328,739	-	-	328,739	148,980	45,655	-	194,635	389,270
Correction of error. Refer note 34.04 & 34.05	-74,978	-	-	-74,978	-69,867	-11,698	-	-81,566	-163,131
<b>Compactors</b>	25,129	-	-	25,129	11,824	2,558	-	14,382	10,747
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	25,129	-	-	25,129	11,824	2,558	-	14,382	28,765
<b>Compressors</b>	15,735	-	-	15,735	2,911	2,125	-	5,036	10,699
Balance previously reported	21,301	-	-	21,301	18,169	710	-	18,879	37,758
Correction of error. Refer note 34.04 & 34.05	-5,566	-	-	-5,566	-15,258	1,415	-	-13,843	-27,687
<b>Tools</b>	492,628	2,009	-9,373	485,264	226,128	52,107	-8,776	269,458	215,806
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	492,628	-	-	492,628	226,128	52,107	-8,776	287,011	556,469
<b>Electronic Equipment</b>	285,301	132,068	-	417,369	132,079	43,541	-	175,620	241,749
Balance previously reported	321,936	-	-	321,936	90,597	20,612	-	111,209	222,419
Correction of error. Refer note 34.04 & 34.05	-36,635	-	-	-36,635	41,481	22,929	-	64,411	128,821
<b>Fire Extinguishers</b>	20,588	-	-	20,588	1,710	4,093	-	5,804	14,784
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	20,588	-	-	20,588	1,710	4,093	-	5,804	11,607
<b>Lawn Equipment</b>	233,846	-	-	233,846	118,683	19,163	-	137,847	96,000
Balance previously reported	139,101	-	-	139,101	73,373	42,231	-	115,604	231,208
Correction of error. Refer note 34.04 & 34.05	94,746	-	-	94,746	45,310	-23,067	-	22,243	44,486

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12 PROPERTY, PLANT AND EQUIPMENT

Reconciliation of Carrying Value

	Opening Balance R	Additions R	Cost Disposals R	Closing Balance R	Opening Balance R	Accumulated Depreciation Additions R	Disposals R	Closing Balance R	Carrying Value R
Trucks/LDV	4,712,957	-	-	4,712,957	1,942,833	448,592	-	2,391,425	2,321,532
Balance previously reported	2,504,858	-	-	2,504,858	2,006,169	145,576	-	2,151,745	4,303,489
Correction of error. Refer note 34.04 & 34.05	2,208,099	-	-	2,208,099	-63,336	303,016	-	239,680	479,360
Motor Vehicles	553,497	-	-	553,497	324,662	41,748	-	366,411	187,087
Balance previously reported	494,854	-	-	494,854	369,308	26,929	-	396,237	792,475
Correction of error. Refer note 34.04 & 34.05	58,643	-	-	58,643	-44,646	14,819	-	-29,827	-59,654
Office Equipment	364,029	60,951	-	424,980	105,006	57,203	-	162,209	262,771
Balance previously reported	208,415	-	-	208,415	86,287	61,589	-	147,876	295,752
Correction of error. Refer note 34.04 & 34.05	155,614	-	-	155,614	18,719	-4,386	-	14,333	28,666
Office Furniture	466,968	33,754	-	500,722	163,466	53,532	-	216,998	283,724
Balance previously reported	307,741	-	-	307,741	150,525	31,867	-	182,392	364,784
Correction of error. Refer note 34.04 & 34.05	159,227	-	-	159,227	12,941	21,665	-	34,606	69,212
Trailers	444,537	-	-	444,537	143,847	56,887	-	200,734	243,802
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	444,537	-	-	444,537	143,847	56,887	-	200,734	401,468
Tracktots	261,828	17,710	-	279,538	99,976	17,798	-	117,773	161,765
Balance previously reported	1,043,663	-	-	1,043,663	284,447	79,080	-	363,528	727,056
Correction of error. Refer note 34.04 & 34.05	-781,835	-	-	-781,835	-184,472	-61,283	-	-245,755	-491,509
Correction of error. Refer note 34.04 & 34.03	-	17,710	-	17,710	-	-	-	-	-
Toolbox	33,542	81,650	-	115,192	11,917	3,162	-	15,078	100,113
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	33,542	-	-	33,542	11,917	3,162	-	15,078	30,157
Gym Equipment	58,200	-	-	58,200	19,053	7,390	-	26,443	31,757
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	58,200	-	-	58,200	19,053	7,390	-	26,443	52,885
Generators	34,199	-	-	34,199	13,621	3,407	-	17,028	17,171
Balance previously reported	-	-	-	-	-	-	-	-	-
Correction of error. Refer note 34.04 & 34.05	34,199	-	-	34,199	13,621	3,407	-	17,028	34,057
Radio Equipment	296,091	12,629	-	308,721	95,777	49,977	-	145,754	162,966
Balance previously reported	208,963	-	-	208,963	157,439	13,114	-	170,553	341,106
Correction of error. Refer note 34.04 & 34.05	87,128	-	-	87,128	-61,662	36,863	-	-24,799	-49,597
	173,982,443	24,173,754	-214,805	197,941,392	72,078,755	6,555,558	-156,956	78,477,358	119,464,034

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**12 PROPERTY, PLANT AND EQUIPMENT**

**Reconciliation of Carrying Value**

			Cost				Accumulated Depreciation				Carrying Value
	Opening Balance	Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance			
	R	R	R	R	R	R	R	R			R

The municipality is currently in a process of identifying all Property, Plant and Equipment and have it valued in terms of GRAP 17 and it is expected that this process will be completed for inclusion in the 2011 financial statements. The Municipality is in the process of itemizing all infrastructure, community and other assets and will recalculate accumulated depreciation once this exercise has been completed by 30 June 2011. At present depreciation on these assets is calculated on an averaging basis whereby an average useful life has been estimated for each category of infrastructure, community and other assets, using global historical costs recorded in the accounting records.

The municipality therefore did utilise the transitional provision in the following areas:

- Review of useful life of item of PPE recognised in the annual financial statements.
- Review of the depreciation method applied to PPE recognised in the annual financial statements.
- Review of residual values of item of PPE recognised in the annual financial statements.
- Impairment of non-cash generating assets.
- Impairment of cash generating assets.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

12

PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Fully Depreciated assets still in use were as follows:

	2010 R	2009 R
Cost	313,812	-
Land and Buildings	-	-
Infrastructure	313,812	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
Accumulated depreciation	(313,812)	-
Land and Buildings	-	-
Infrastructure	(313,812)	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
Carrying value	-	-

Carrying value of assets retired from active use and held for disposal:

Cost	-	-
Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
Accumulated depreciation	-	-
Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
Carrying value	-	-

Carrying value of temporarily idle property plant and equipment:

Cost	-	-
Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
Accumulated depreciation	-	-
Land and Buildings	-	-
Infrastructure	-	-
Community Assets	-	-
Lease Assets	-	-
Heritage	-	-
Other	-	-
Carrying value	-	-

Details of property plant and equipment carried at fair value

No property, plant and equipment are carried at fair value.

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	2010 R	2009 R
<b>13 INVESTMENT PROPERTY</b>		
<b>Net Carrying amount at 1 July</b>	<b>1,594,739</b>	<b>1,653,943</b>
Cost	1,869,615	1,869,615
Accumulated Depreciation	(274,876)	(215,671)
Depreciation for the year	(59,204)	(59,204)
<b>Net Carrying amount at 30 June</b>	<b>1,535,534</b>	<b>1,594,739</b>
Cost	1,869,615	1,869,615
Accumulated Depreciation	(334,080)	(274,876)

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 51.3

Revenue derived from the rental of investment property:  
Sanlam Building

217,713	211,769
---------	---------

Operating expenditure incurred on properties generating revenue

-	-
---	---

Operating expenditure incurred on properties not generating revenue

-	-
---	---

There are no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

Estimated Fair Value of Investment Property at 30 June

2,645,200	2,645,200
-----------	-----------

Fair value was determined by valuation roll of 1 July 2009.

**14 INTANGIBLE ASSETS**

**Computer System & Software**

**Net Carrying amount at 1 July**

**6,832 6,832**

Cost

136,634	136,634
---------	---------

Accumulated Amortisation

(129,803)	(129,803)
-----------	-----------

Acquisitions

-

Amortisation

(9,536) -

**Net Carrying amount at 30 June**

**73,504 6,832**

Cost

212,842	136,634
---------	---------

Accumulated Amortisation

(139,338)	(129,803)
-----------	-----------

Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 51.4

The following material intangible assets are included in the carrying value above

<u>Description</u>	<u>Remaining Amortisation Period</u>	<u>Carrying Value</u>	
		2010 R	2009 R

None

No intangible asset were assed having an indefinite useful life.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

	2010 R	2009 R
<b>15 LONG-TERM RECEIVABLES</b>		
Cripple Care Loans - At amortised cost	14,081	15,125
Correction of LT Receivables previously disclosed as Trade Receivable from E-Transactions- Note 34.06	5,099,088	5,946,638
<b>Less:</b> Current portion transferred to Trade and other receivables from exchange transactions	(997,118)	(847,550)
<b>Less:</b> Current portion transferred to Current Portion of Long-term Receivables	(1,053)	(1,044)
	4,114,998	5,113,169
<b>Less:</b> Provision for Impairment of Long Term Receivables	-	-
<b>Total Long Term Receivables</b>	<b>4,114,998</b>	<b>5,113,169</b>

**CRIPPLE CARE**

The outstanding amount relates to prior years and is still collectable. Association were entitled to loans which attract interest at 1% per annum and which are repayable over a maximum period of 30 years. These loans are repayable in the year 2026.

**ARRANGEMENTS**

Municipal account holders can make arrangements with the municipality, agreeing to pay the outstanding accounts over a predetermined period at a fixed monthly instalment. When a monthly instalment is not paid, the account is transferred back to Trade receivables where it will be included in the calculation of Provision for Impairment.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

		2010 R	2009 R
16	<b>INVENTORY</b>		
	Consumable Stores - Stationery and materials - At cost	2,116,640	2,113,942
	Water – at cost	55,018	43,817
	<b>Total Inventory</b>	<b>2,171,659</b>	<b>2,157,759</b>
	Consumable stores materials written down due to losses as identified during the annual stores counts.	-	-
	Consumable stores materials surpluses identified during the annual stores counts.	-	-
	Inventory recognised as an expense during the year	-	-
	The municipality recognised only purification costs in respect of non-purchased purified water inventory.		
	Exemptions taken according to Directive 4 - Transitional Provisions for Medium and Low Capacity Municipalities. Refer to Note 51.5		
17	<b>TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
	<b>Service Receivables</b>		
	Water	2,934,899	3,009,833
	Electricity	3,095,612	2,460,285
	Housing Rentals	93,042	106,869
	Refuse	2,719,156	2,361,406
	Sewerage	5,846,917	4,629,685
	<b>Total Service Receivables</b>	<b>14,689,625</b>	<b>12,568,078</b>
	Less: Allowance for Doubtful Debts	(4,630,684)	(4,258,443)
	<b>Net Service Receivables</b>	<b>10,058,942</b>	<b>8,309,635</b>
	<b>Other Receivables</b>		
	Other Arrears	9,779,916	6,443,293
	<b>Total Other Receivables</b>	<b>9,779,916</b>	<b>6,443,293</b>
	Less: Allowance for Doubtful Debts	(714,925)	(3,892,816)
	<b>Net Other Receivables</b>	<b>9,064,991</b>	<b>2,550,477</b>
	<b>Total Net Receivables from Exchange Transactions</b>	<b>19,123,933</b>	<b>10,860,112</b>
	<b>Ageing of Receivables from Exchange Transactions</b>		
	<b>(Electricity): Ageing</b>		
	Current (0 - 30 days)	2,333,505	1,772,545
	31 - 60 Days	73,325	106,056
	61 - 90 Days	34,423	63,713
	+ 90 Days	654,358	517,971
	<b>Total</b>	<b>3,095,612</b>	<b>2,460,285</b>
	<b>(Water): Ageing</b>		
	Current (0 - 30 days)	568,518	643,479
	31 - 60 Days	105,772	173,498
	61 - 90 Days	99,993	103,026
	+ 90 Days	2,160,617	2,089,830
	<b>Total</b>	<b>2,934,899</b>	<b>3,009,833</b>



BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

	2010 R	2009 R
<b>17 TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS (CONTINUE)</b>		
<b><u>(Refuse): Ageing</u></b>		
Current (0 - 30 days)	301,715	267,942
31 - 60 Days	101,967	93,910
61 - 90 Days	90,777	84,341
+ 90 Days	2,224,696	1,915,213
<b>Total</b>	<b>2,719,156</b>	<b>2,361,406</b>
<b><u>(Sewerage): Ageing</u></b>		
Current (0 - 30 days)	623,050	517,683
31 - 60 Days	197,909	179,998
61 - 90 Days	176,248	161,122
+ 90 Days	4,849,710	3,770,882
<b>Total</b>	<b>5,846,917</b>	<b>4,629,685</b>
<b><u>(Housing Rentals Debtors): Ageing</u></b>		
Current (0 - 30 days)	6,243	9,555
31 - 60 Days	1,790	3,047
61 - 90 Days	1,647	2,260
+ 90 Days	83,361	92,007
<b>Total</b>	<b>93,042</b>	<b>106,869</b>
<b><u>(Other Debtors): Ageing</u></b>		
Current (0 - 30 days)	795,511.00	258,088
31 - 60 Days	113,445.00	99,749
61 - 90 Days	97,862.00	226,937
+ 90 Days	8,773,097.72	5,858,519
<b>Total</b>	<b>9,779,916</b>	<b>6,443,293</b>
<b>18 TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
<b>Service Receivables</b>		
Taxes - Rates	6,517,550	4,024,821
Other Receivables	2,728,374	3,064,189
Correction of over creation of fine debtor to St of Financial Performance - Note 34.08 & 34.13	-	(1,637,636)
<b>Total Service Receivables</b>	<b>9,245,925</b>	<b>5,451,373</b>
Less: Allowance for Doubtful Debts	(1,601,432)	(1,412,502)
<b>Net Service Receivables</b>	<b>7,644,493</b>	<b>4,038,872</b>
<b>Total Net Receivables from Non-Exchange Transactions</b>	<b>7,644,493</b>	<b>4,038,872</b>
<b>Ageing of Receivables from Non-Exchange Transactions</b>		
<b><u>(Rates): Ageing</u></b>		
Current (0 - 30 days)	837,537	898,650
31 - 60 Days	246,088	177,863
61 - 90 Days	126,573	147,251
+ 90 Days	5,307,352	2,801,057
<b>Total</b>	<b>6,517,550</b>	<b>4,024,821</b>
<b><u>(Other Receivables): Ageing</u></b>		
Current (0 - 30 days)	23,610	319,009
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	2,704,764	2,745,180
<b>Total</b>	<b>2,728,374</b>	<b>3,064,189</b>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

18

TRADE AND OTHER RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS (CONTINUE)

			2010 R	2009 R
<u>Summary of Receivables by Customer Classification</u>	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
<b>2010</b>				
Total Receivables	32,994,068	-	721,398	33,715,466
Less: Provision for doubtful debts	(6,947,041)	-	-	(6,947,041)
<b>Total Recoverable debtors by customer classification</b>	<b>26,047,027</b>	<b>-</b>	<b>721,398</b>	<b>26,768,425</b>

<u>Summary of Receivables by Customer Classification</u>	Residential, Industrial & Commercial R's	Other Debtors R's	National and Provincial Government R's	Total R's
<b>2009</b>				
Total Receivables	23,406,259	-	1,056,486	24,462,745
Less: Provision for doubtful debts	(9,563,761)	-	-	(9,563,761)
<b>Total Recoverable debtors by customer classification</b>	<b>13,842,498</b>	<b>-</b>	<b>1,056,486</b>	<b>14,898,984</b>

Trade and other receivables impaired

<b>2010</b>	Exchange Transactions R's	Non-Exchange Transactions R's	Total R's
Total	(5,345,609)	(1,601,432)	(6,947,041)
<b>2009</b>			
Total	(8,151,259)	(1,412,502)	(9,563,761)

Debts are required to be settled after 30 days, interest is charged after this date at prime +1%.  
The fair value of trade and other receivables approximates their carrying amounts.

Reconciliation of the Total doubtful debt provision

	2010 R	2009 R
Balance at beginning of the year	9,563,761	10,568,451
Contributions to provision	263,822	6,239,184
Additional interest transferred to provision	53,356	37,061
Doubtful debts written off against provision	(2,933,898)	(7,280,934)
<b>Balance at end of year</b>	<b>6,947,041</b>	<b>9,563,761</b>

In determining the recoverability of a trade receivable, the Municipality considers any change in the credit quality of the trade receivable from the date the credit was initially granted, up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, management believes no further credit provisions are required in excess of the present allowance for doubtful debts.

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

<b>19</b>	<b>OPERATING LEASE ARRANGEMENTS</b>	<b>2010 R</b>	<b>2009 R</b>
<b>19.1</b>	<b>The Municipality as Lessee</b>		
	<b>Balance on 1 July</b>	2,827	1,507
	Movement during the year	340	1,320
	<b>Balance on 30 June</b>	<b>3,167</b>	<b>2,827</b>
	At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:		
	Up to 1 Year	12,937	11,868
	1 to 5 Years	17,700	30,637
	More than 5 Years	-	-
	<b>Total Operating Lease Arrangements</b>	<b>30,637</b>	<b>42,506</b>
<b>19.2</b>	<b>The Municipality as Lessor</b>		
	<b>Balance on 1 July</b>	7,464	6,098
	Operating Lease Asset for the current year	853	1,365
	<b>Balance on 30 June</b>	<b>8,317</b>	<b>7,464</b>
	Beaufort West Municipality is leasing land to rate payers for periods of 119 months with escalations of 10% per year.		
	At the Statement of Financial Position date, where the municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
	Up to 1 Year	67,750	132,558
	1 to 5 Years	84,807	139,341
	More than 5 Years	18,265	31,483
	<b>Total Operating Lease Arrangements</b>	<b>170,823</b>	<b>303,382</b>
	This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.		
	The leases are in respect of land being leased out for a period until 2017		
<b>20</b>	<b>CASH AND CASH EQUIVALENTS</b>	<b>2010 R</b>	<b>2009 R</b>
	<b>Assets</b>		
	Call Investments Deposits	30,821,196	27,202,376
	Cash Floats	12,170	11,950
	<b>Total Cash and Cash Equivalents - Assets</b>	<b>30,833,366</b>	<b>27,214,326</b>
	<b>Liabilities</b>		
	Primary Bank Account	(2,193,884)	(1,468,125)
	<b>Total Cash and Cash Equivalents - Liabilities</b>	<b>(2,193,884)</b>	<b>(1,468,125)</b>
	Call Investments Deposits to an amount of R21 600 709.31 are held to fund the Unspent Conditional Grants (2009: R20 423 141.41).		
	Bank overdraft of R2 582 000 exists at ABSA Bank and ABSA Bank also has a credit card overdraft facility of R20 000 and fuel overdraft facility of R220 000.		

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	2010 R	2009 R
<b>20 CASH AND CASH EQUIVALENTS (CONTINUE)</b>		
The municipality has the following bank accounts:		
<b><u>Current Accounts</u></b>		
Beaufort West ABSA - Account Number 40 5053 8936 (Primary Account):		
SBR Housing Account (Absa Bank Beaufort West - Account Number: 40 5068 4777)		
IDT Housing Account (Absa Bank Beaufort West - Account Number: 15 4015 0288)		
<b><i>Beaufort West ABSA - Account Number 40 5053 8936 (Primary Account):</i></b>		
Cash book balance at beginning of year	(1,468,125)	1,941,777
Cash book balance at end of year	(2,193,884)	(1,468,125)
Bank statement balance at beginning of year	673,479	3,033,715
Bank statement balance at end of year	(238,451)	673,479
<b><i>SBR Housing Account (Absa Bank Beaufort West - Account Number: 40 5068 4777)</i></b>		
Cash book balance at beginning of year	2,584	2,266
Cash book balance at end of year	-	2,584
Bank statement balance at beginning of year	2,584	2,591
Bank statement balance at end of year	-	2,584
<b><i>IDT Housing Account (Absa Bank Beaufort West - Account Number: 15 4015 0288)</i></b>		
Cash book balance at beginning of year	7,534	7,985
Cash book balance at end of year	-	7,534
Bank statement balance at beginning of year	7,534	7,481
Bank statement balance at end of year	-	7,534
<b><u>Call Investment Deposits</u></b>		
Call investment deposits consist out of the following accounts:		
Investec	11,817,265	15,466,268
First National Bank	4,451,999	21,869
ABSA	11,057,686	11,714,239
Standard Bank	3,494,246	-
	30,821,195	27,202,376

<b>21 PROPERTY RATES</b>		
<b><u>Actual</u></b>		
<b>Rateable Land and Buildings</b>	18,269,525	16,579,313
Residential, Commercial Property, State	18,269,525	16,579,313
<b><u>Less: Rebates</u></b>	(1,513,467)	(2,875,363)
<b>Total Assessment Rates</b>	<b>16,756,058</b>	<b>13,703,950</b>

**Valuations on 30 JUNE 2010: IN ANY FORMAT YOU CAN GIVE**

	Building Clause Valuation	Site & Building Valuation	Total Valuation
Residential	672,770	1,325,631,764	1,326,304,534
Commercial	410,955	223,063,430	223,474,385
Governments	-	45,608,135	45,608,135
Schools	-	35,002,650	35,002,650
PSI	-	59,026,398	59,026,398
Farms	-	1,099,502,734	1,099,502,734
Vacant Erven	5,711,718	437,270	6,148,988
<b>Total Property Valuations</b>	<b>6,795,443</b>	<b>2,788,272,381</b>	<b>2,795,067,824</b>

Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2009. Rebates were granted on land with buildings used solely for dwellings purposes as follows:  
Residential - The first R19 000 on the valuation is exempted.

Assessment Rates are levied on the values of immovable properties. A new valuation and first supplementary roll were performed during 2009/10 for the Municipality. The rates applicable is proclaimed by PK 1312 dated 15 June 2009.

Rates are levied monthly and payable by the 12th of the following month. Interest is levied at the prime rate plus 1% on outstanding monthly rates.

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**22 GOVERNMENT GRANTS AND SUBSIDIES**

	<b>2010 R</b>	<b>2009 R</b>
<b>Unconditional Grants</b>	<b>17,913,085</b>	<b>14,260,168</b>
Equitable Share - Refer to Note 22.1	17,913,085	14,260,168
<b>Conditional Grants</b>	<b>64,111,733</b>	<b>54,960,018</b>
MIG Grant	8,266,572	4,226,202
Contribution FMG	758,294	484,054
Contribution D W A F	172,105	50,072
Contribution DME	21,959,342	12,582,082
Contribution ESKOM	332,385	503,071
Contribution MSIG	1,407,125	452,882
Contribution PTIP	-	-
Contribution PA W C ;	29,359,306	34,514,399
Government Grants	9,900	60,629
Contribution Spatial Planning	-	55,644
Nasional Lottery	99,066	229,097
Contribution VAT	-	-
Contribution DBSA	321,601	-
Contribution N D P	111,998	-
Donations and Public Contributions	1,145,192	1,614,256
Subsidies	-	-
Contribution CDW's	168,847	187,630
<b>Total Government Grants and Subsidies</b>	<b>82,024,818</b>	<b>69,220,186</b>
Government Grants and Subsidies - Capital	21,199,783	16,521,307
Government Grants and Subsidies - Operating	60,825,035	52,698,879
	<b>82,024,818</b>	<b>69,220,186</b>

The municipality does not expect any significant changes to the level of grants.

**22.1 Equitable share**

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members. All registered indigents receive 6kl free water and 50kwh free electricity per month, which is funded from this grant.

All registered indigents receive a monthly subsidy as per approved budget, funded from this grant. Indigent subsidies is based on the cost of free basic services for the geographical area concerned and range from R123 per month to R213 per month.(2009: R113 per month to R201 per month)

(See Appendix "F" for a reconciliation of all grants).

**23 SERVICE CHARGES**

	<b>2010 R</b>	<b>2009 R</b>
Electricity	33,374,555	25,247,753
Service Charges - Electricity	34,999,069	26,840,156
<u>Less:</u> Rebates	(1,624,514)	(1,592,403)
Water	7,781,241	7,445,023
Service Charges - Water	9,450,603	9,083,145
<u>Less:</u> Rebates	(1,669,361)	(1,638,123)
Refuse removal	3,627,848	3,159,665
Service Charges - Refuse	4,063,523	3,540,189
<u>Less:</u> Rebates	(435,675)	(380,523)
Sewerage and Sanitation Charges	7,613,396	6,589,516
Service Charges - Sewerage	9,189,324	8,168,828
<u>Less:</u> Rebates	(1,575,928)	(1,579,311)
Other Service Charges	-	-
<b>Total Service Charges</b>	<b>52,397,040</b>	<b>42,441,957</b>

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

<b>24</b>	<b>OTHER REVENUE</b>	<b>2010 R</b>	<b>2009 R</b>
	Other income represents sundry income such as administration income, SARS Revenue and Sale of land.	1,106,618	1,084,880
	<b>Total Other Income</b>	<b>1,106,618</b>	<b>1,084,880</b>
<b>25</b>	<b>EMPLOYEE RELATED COSTS</b>		
	Standby Allowances	1,212,999	819,476
	Housing Subsidy	245,478	328,496
	Bonus	2,156,572	1,975,569
	Essential Users	472,940	520,814
	Overtime	1,680,831	1,341,147
	Long Service Awards	15,000	8,000
	Salaries	27,356,152	23,663,552
	Uniform Allowance	37,197	34,888
	Leave Reserve Fund	834,688	120,319
	Transport Allowance	501,117	495,003
	Group Insurance	36,471	28,493
	Medical Aid Contribution	815,192	772,755
	Provident Fund SAMWU	419,775	393,185
	Pension Fund Contribution	4,172,150	3,509,712
	Unemployment Fund	262,925	224,288
	Long Service Bonus	178,503	194,451
	Post Retirement Medical	294,633	216,000
		40,692,623	34,646,148
	<b>Less:</b> Employee Costs allocated elsewhere	-	-
	<b>Total Employee Related Costs</b>	<b>40,692,623</b>	<b>34,646,148</b>
	<b>KEY MANAGEMENT PERSONNEL</b>		
	Municipal Manger is appointed on a 6-year fixed contract and the Director Community Services and Director Corporate Services on a 5-year fixed contract. There are no post-employment or termination benefits payable to them at the end of the contract period.		
	<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
	<b>Remuneration of the Municipal Manager</b>		
	Annual Remuneration	577,449	501,385
	Performance Bonuses	57,171	65,987
	Car Allowance	119,502	119,678
	Contributions to UIF, Medical and Pension Funds	110,584	97,771
	<b>Total</b>	<b>864,706</b>	<b>784,821</b>
	<b>Remuneration of the Director Financial Services</b>		
	Annual Remuneration	368,239	320,232
	Performance Bonuses	39,842	45,985
	Car Allowance	106,492	107,140
	Contributions to UIF, Medical and Pension Funds	88,032	76,379
	<b>Total</b>	<b>602,603</b>	<b>549,736</b>
	<b>Remuneration of the Director Electrical Services</b>		
	Annual Remuneration	504,861	358,667
	Performance Bonuses	39,484	45,573
	Car Allowance	72,001	72,012
	Contributions to UIF, Medical and Pension Funds	73,277	64,303
	<b>Total</b>	<b>689,623</b>	<b>540,555</b>
	<b>Remuneration of the Director Community Services</b>		
	Annual Remuneration	444,424	284,865
	Performance Bonuses	42,152	34,739
	Car Allowance	72,001	59,988
	Contributions to UIF, Medical and Pension Funds	78,969	48,237
	<b>Total</b>	<b>637,545</b>	<b>427,829</b>
	<b>Remuneration of the Director Engineering Services</b>		
	Annual Remuneration	445,545	386,316
	Performance Bonuses	18,811	48,652
	Car Allowance	59,999	72,006
	Contributions to UIF, Medical and Pension Funds	75,266	69,390
	<b>Total</b>	<b>599,622</b>	<b>576,364</b>
	<b>Remuneration of the Director Corporate Services</b>		
	Annual Remuneration	335,247	217,044
	Performance Bonuses	16,057	-
	Car Allowance	71,123	53,298
	Contributions to UIF, Medical and Pension Funds	77,492	50,805
	<b>Total</b>	<b>499,919</b>	<b>321,147</b>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

		2010 R	2009 R
<b>26</b>	<b>REMUNERATION OF COUNCILLORS</b>		
	Executive Mayor	338,923	319,104
	Deputy Executive Mayor	311,808	313,344
	Speaker	311,808	267,953
	Mayoral Committee Members	250,591	235,428
	Councillors	1,082,274	1,001,196
	Councillors' pension contribution	122,312	153,165
	Councillors' medical aid	17,721	12,654
	Councillors' car allowance	664,408	576,663
	Telephone Allowance	182,034	181,868
	<b>Total Councillors' Remuneration</b>	<b>3,281,879</b>	<b>3,061,375</b>
	<i>In-kind Benefits</i>		
	The Executive Mayor, Deputy Executive Mayor, Speaker and one other councillor are full-time. Each is provided with an office and secretarial support at the cost of the Council. The Executive Mayor has the use of a Council owned vehicle for official duties.		
<b>27</b>	<b>DEBT IMPAIRMENT</b>		
	Long term Receivables - Note 15	-	-
	Trade Receivables from exchange transactions - Note 17	203,006	5,473,838
	Trade Receivables from non-exchange transactions - Note 17	60,816	765,346
	<b>Total Contribution to Impairment Provision</b>	<b>263,822</b>	<b>6,239,184</b>
<b>28</b>	<b>IMPAIRMENTS</b>		
	Property Plant & Equipment	38,640	34,319
		<b>38,640</b>	<b>34,319</b>
<b>29</b>	<b>FINANCE CHARGES</b>		
	Long-term Liabilities	1,150,724	1,065,953
	Finance leases	189,272	149,452
	Post Retirement Charges	1,240,825	912,229
	Overdraft Facilities	9,731	5,979
	<b>Total finance charges</b>	<b>2,590,552</b>	<b>2,133,613</b>
<b>30</b>	<b>BULK PURCHASES</b>		
	Electricity	19,640,407	15,726,518
	Water	1,351,946	511,101
	<b>Total Bulk Purchases</b>	<b>20,992,353</b>	<b>16,237,619</b>
<b>31</b>	<b>GRANTS AND SUBSIDIES</b>		
	Donations	49,532	51,000
	<b>Total Grants and Subsidies</b>	<b>49,532</b>	<b>51,000</b>
<b>32</b>	<b>GENERAL EXPENSES</b>		
	Advertisement Costs	298,166	259,121
	Banking Charges	293,897	342,715
	Bursaries	216,669	195,793
	CDW's	167,815	148,818
	Organisations	527,625	454,872
	Insurance	603,900	934,297
	Printing & Stationary	526,934	439,355
	Proport Rates Act	144,554	-
	Soup Kitchen	338,595	219,781
	Subsistence & Travel	631,190	601,939
	Audit fees	1,126,999	961,421
	Telephone Costs	936,980	745,168
	Training Costs	226,720	164,248
	W.S.D.P.	163,845	19,071
	Ward Committee	139,861	135,733
	Other expenditure	2,596,592	2,961,856
	<b>General Expenses</b>	<b>8,940,340</b>	<b>8,584,189</b>

General expenses contains administrative and technical expenses otherwise not provided for in the line-items of the Statement of Financial performance. This include items such as telecommunications, travelling, legal fees and auditing fees.

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

		2009 R	2008 R
<b>33</b>	<b>CHANGE IN ACCOUNTING POLICY IN TERMS OF GRAP 3</b>		
<b>33.01</b>	<b>Public Contribution Reserve</b>		
	Balance previously reported:	-	(1,648,707)
	Public Contribution Reserve cleared to Surplus - Not required - Note 33.04	-	1,648,707
	<b>Total</b>	<u>-</u>	<u>-</u>
<b>33.02</b>	<b>Government Grant Reserve</b>		
	Balance previously reported:	-	(91,368,016)
	Government Grant Reserve cleared to Surplus - Not required - Note 33.04	-	91,368,016
	<b>Total</b>	<u>-</u>	<u>-</u>
<b>33.03</b>	<b>Capitalisation Reserve</b>		
	Balance previously reported:	-	(2,323,034)
	Capitalisation Reserve cleared to Surplus - Not required - Note 33.04	-	2,323,034
	<b>Total</b>	<u>-</u>	<u>-</u>
<b>33.04</b>	<b>Accumulated Surplus/(Deficit)</b>		
	Movements on Accumulated Surplus recorded as they are required by GRAP.		
	<b>Implementation of GRAP</b>		
	Government Grant Reserve cleared to Surplus - Not required - Note 33.02		91,368,016
	Public Contribution Reserve cleared to Surplus - Not required - Note 33.01		1,648,707
	Capitalisation Reserve cleared to Surplus - Not required - Note 33.03		2,323,034
	<b>Total</b>	<u>-</u>	<u>95,339,757</u>



BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

		2009 R	2008 R
<b>34</b>	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
<b>34.01</b>	<b>Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities"</b>		
	In terms of Directive 4: "Transitional Provisions for Medium and Low Capacity Municipalities" issued by the Accounting Standards Board the municipality has transitional provisions for the following GRAP Standards:		
	GRAP 12 – Inventories		
	GRAP 16 – Investment Property		
	GRAP 17 – Property, Plant and Equipment		
	GRAP 19 – Provisions, Contingent Liabilities and Contingent Assets		
	GRAP 100 – Non-current Assets Held for Sale and Discontinued Operations		
	GRAP 102 – Intangible Assets		
<b>34.02</b>	<b>Trade and other Payables</b>		
	<b>Balance previously reported</b>	-	-
	Correction of Long term Liabilities to excluding accruals with Trade and other Payables Note 34.03	169,254	-
	Creating Trade and other Payables from 'Die Posmeester' not yet paid - Note 34.11 & 34.12	-	348,546
	<b>Total</b>	<b>169,254</b>	<b>348,546</b>
<b>34.03</b>	<b>Long Term Liabilities</b>		
	<b>Balance previously reported</b>	-	-
	Correction of Long term Liabilities to excluding accruals with Trade and other Payables Note 34.02	(169,254)	-
	VAT calculation corrected for PPE out of External Loans - Note 34.04	17,710	-
	<b>Total</b>	<b>(151,544)</b>	<b>-</b>
<b>34.04</b>	<b>Property, Plant and Equipment - GRAP 17</b>		
	Property, Plant and Equipment recorded as they are required by GRAP.		
	<b>Balance previously reported</b>	-	190,482,666
	Unbundling of Infrastructure & Loose Assets restated from Accumulated Surplus/deficit - See Note 34.12	-	(16,500,222)
	Landfill not Capitalised out of Provision in previous year - Note 34.12	-	500,000
	VAT calculation corrected for PPE out of External Loans - Note 34.03	17,710	-
	<b>Total</b>	<b>17,710</b>	<b>(16,000,222)</b>
<b>34.05</b>	<b>Accumulated Depreciation</b>		
	<b>Balance previously reported</b>	-	(79,496,770)
	Opening balance GRAP movements 2008	(72,078,755)	-
	<b>Implementation of GRAP</b>		
	Unbundling of Infrastructure & Loose Assets restated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.12	-	7,418,014
	Normal Depreciation for 2008/2009	(9,157,636)	-
	Unbundling of Infrastructure & Loose Assets restated Accumulated Depreciation from Statement of Financial Performance - See Note 34.13	2,759,033	-
	<b>Total</b>	<b>(78,477,358)</b>	<b>(72,078,755)</b>
<b>34.06</b>	<b>Trade and other receivables from Exchange transactions</b>		
	<b>Balance previously reported</b>	-	15,959,201
	Correction of LT Receivables previously disclosed as Trade Receivable from E-Transactions- Note 34.07	-	(5,099,088)
	<b>Total</b>	<b>-</b>	<b>10,860,112</b>
<b>34.07</b>	<b>Long-Term Receivables</b>		
	<b>Balance previously reported</b>	-	14,081
	Correction of LT Receivables previously disclosed as Trade Receivable from E-Transactions- Note 34.06	-	5,099,088
	<b>Total</b>	<b>-</b>	<b>5,113,169</b>

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

		<b>2009 R</b>	<b>2008 R</b>
<b>34</b>	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3 (CONTINUE)</b>		
<b>34.08</b>	<b>Other Receivables from non-exchange transactions</b>		
	<b>Balance previously reported</b>	4,038,872	-
	Correction of over creation of fine debtor to St of Financial Performance - Note 34.13	(1,637,636)	-
	<b>Total</b>	<b>2,401,236</b>	<b>-</b>
<b>34.09</b>	<b>Current Employee Benefits</b>		
	<b>Balance previously reported</b>	-	(536,000)
	Correction of Error - Additional Employee Benefits for Long Service Bonus - Note 34.12	-	(169,260)
	Correction of Error - Additional Employee Benefits for Post Employee Health Care Benefits - Note 34.12	-	(31,000)
	<b>Total</b>	<b>-</b>	<b>(736,260)</b>
<b>34.10</b>	<b>Non-Current Employee Benefits</b>		
	<b>Balance previously reported</b>	-	(2,822,928)
	Correction of Error - Additional Non-Current Employee Benefits for Long Service Bonus - Note 34.12	-	(1,211,520)
	Correction of Error - Additional Non-Current Employee Benefits for Post Employee Health Care Benefits - Note 34.12	-	(6,487,102)
	<b>Total</b>	<b>-</b>	<b>(10,521,550)</b>
<b>34.11</b>	<b>Taxes</b>		
	<b>Balance previously reported</b>	-	-
	Adjustment to the VAT Output Account for output VAT declared erroneously - Note 34.12	-	2,182,452
	Creating VAT on Trade and other Payables from 'Die Posmeester' not yet paid - Note 34.02 & 34.12	-	42,804
	<b>Total</b>	<b>-</b>	<b>2,225,256</b>
<b>34.12</b>	<b>Accumulated Surplus/(Deficit)</b>		
		-	-
	Correction of Error - Additional Employee Benefits for Long Service Bonus - Note 34.09	-	(169,260)
	Correction of Error - Additional Employee Benefits for Post Employee Health Care Benefits - Note 34.09	-	(31,000)
	Correction of Error - Additional Non-Current Employee Benefits for Long Service Bonus - Note 34.10	-	(1,211,520)
	Correction of Error - Additional Non-Current Employee Benefits for Post Employee Health Care Benefits - Note 34.10	-	(6,487,102)
	Correction of Error - Additional Non-Current Employee Benefits Current Portion through Financial Performance - Note 34.13	-	168,517
	Landfill not Capitalised out of Provision corrected in previous year - Note 34.04	-	500,000
	Unbundling of Infrastructure & Loose Assets restated from Accumulated Surplus/deficit - See Note 34.04	-	(16,500,222)
	Creating VAT & Trade and other Payables from 'Die Posmeester' not yet paid out of Surplus - Note 34.02 & 34.11	-	(305,742)
	Adjustment to the VAT Output Account for output VAT declared erroneously - Note 34.11	-	2,182,452
	Unbundling of Infrastructure & Loose Assets restated Accumulated Depreciation from Accumulated Surplus/deficit - See Note 34.05	-	7,418,014
	<b>Total</b>	<b>-</b>	<b>(14,435,862)</b>
<b>34.13</b>	<b>Changes to Statement of Financial Performance</b>		
	<b>Balance previously reported</b>	9,890,898	-
	Unbundling of Infrastructure & Loose Assets restated Accumulated Depreciation from Statement of Financial Performance - See Note 34.05	2,759,033	-
	Correction of Error - Additional Current Employee Benefits for Post Employee Benefits Gain - Note 34.12	-	405,000
	Correction of Error - Additional Current Employee Benefits for Post Employee Benefits Loss - Note 34.12	-	(32,192)
	Correction of over creation of fine debtor to St of Financial Performance - Note 34.08	(1,637,636)	-
	Correction of Error - Additional Current Employee Benefits for Post Employee Benefits Finance Charge - Note 34.12	-	(864,966)
	Correction of Error - Additional Current Employee Benefits for Post Employee Benefits Employee Cost - Note 34.12	-	323,641
	Correction of maintenance refuse dump line item from general expenditure to repairs and maintenance in 08/09 - Note 34.13	144,682	-
	Correction of maintenance refuse dump line item from general expenditure to repairs and maintenance in 08/09 - Note 34.13	(144,682)	-
	Correction of equitable share line item from grants and subsidies paid to property rates and service charges as less income foregone in 08/09 - Note 34.13	5,314,702	-
	Correction of equitable share line item from grants and subsidies paid to property rates as less income foregone in 08/09 - Note 34.13	(124,341)	-
	Correction of equitable share line item from grants and subsidies paid to service charges as less income foregone in 08/09 - Note 34.13	(5,190,360)	-
	<b>Total</b>	<b>11,012,295</b>	<b>(168,517)</b>

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

	2010 R	2009 R
<b>35 RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS</b>		
Surplus/(Deficit) for the year	25,547,799	11,012,295
<b>Adjustments for:</b>		
Depreciation	7,705,568	6,609,328
Amortisation of Intangible Assets	9,536	-
(Gain)/Loss on disposal of property, plant and equipment	(461,628)	(2,274,385)
Impairments	38,640	34,319
Contribution from/to employee benefits - non-current	(844,937)	(617,288)
Contribution from/to employee benefits - non-current - expenditure incurred	1,713,961	1,322,680
Contribution from/to employee benefits - non-current - actuarial losses	106,274	2,092,773
Contribution from/to employee benefits - non-current - actuarial gains	-	(229,587)
Contribution from/to provisions - non-current	382,400	1,798,000
Contribution to employee benefits – current	1,068,641	431,055
Contribution to employee benefits – current - expenditure incurred	(335,396)	(389,509)
Contribution to provisions – current	-	-
Contribution to provisions – current - expenditure incurred	-	(500,000)
Contribution to provisions – Debt Impairment	263,822	6,239,184
Impairment written off	(2,880,542)	(7,243,874)
Operating lease income accrued	(853)	(1,365)
Operating lease expenses accrued	340	1,320
Interest income	(2,737,822)	(1,284,998)
Interest expense	2,590,552	2,133,613
Operating Surplus/(Deficit) before changes in working capital	32,166,354	19,133,561
Changes in working capital	(7,685,031)	15,979,605
Increase/(Decrease) in Trade and Other Payables	(108,140)	6,783,097
Increase/(Decrease) in Unspent Conditional Government Grants and Receipts	(275,556)	12,219,141
Increase/(Decrease) in Unspent Conditional Public Contributions and Receipts	907,485	(148,782)
Increase/(Decrease) in Taxes	753,542	(1,181,296)
(Increase)/Decrease in Inventory	(13,899)	(773,014)
(Increase)/Decrease in Unpaid Conditional Government Grants and Receipts	304,258	(220,820)
(Increase)/Decrease in Trade Receivables from exchange transactions	(5,458,170)	1,663,013
(Increase)/Decrease in Other Receivables from non-exchange transactions	(3,794,551)	(2,361,734)
<b>Cash generated/(absorbed) by operations</b>	<b>24,481,323</b>	<b>35,113,165</b>
<b>36 CASH AND CASH EQUIVALENTS</b>	<b>2010 R</b>	<b>2009 R</b>
Cash and cash equivalents included in the cash flow statement comprise the following:		
Call Investments Deposits - Note 20	30,821,196	27,202,376
Cash Floats - Note 20	12,170	11,950
Bank - Note 20	-	-
Bank overdraft - Note 20	(2,193,884)	(1,468,125)
<b>Total cash and cash equivalents</b>	<b>28,639,482</b>	<b>25,746,201</b>
<b>37 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 36	28,639,482	25,746,201
Investments - Note	-	-
	28,639,482	25,746,201
Less:	23,623,091	20,898,417
Unspent Committed Conditional Grants - Note 9	20,044,073	20,015,371
Unspent Public Contribution - Note 10	1,315,255	407,770
Unpaid Committed Conditional Grants - Note 9	(388,381)	(692,639)
Staff Leave - Note 7	2,670,362	1,957,554
VAT - Note 11	(135,918)	(889,460)
Cash Portion of Housing Development Fund - Note 2	117,700	99,821
<b>Net cash resources available for internal distribution</b>	<b>5,016,391</b>	<b>4,847,784</b>
<b>Allocated to:</b>		
Capital Replacement Reserve	2,138,834	2,236,414
<b>Resources available for working capital requirements</b>	<b>2,877,558</b>	<b>2,611,371</b>
<b>38 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - Note 3	12,891,566	8,680,180
Used to finance property, plant and equipment - at cost	(12,891,566)	(8,680,180)
Cash set aside for the repayment of long-term liabilities	-	-
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act. The Annuity Loans carry interest of between 6.75 % and 16.24 % and will be repaid by 2029

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**39 BUDGET COMPARISONS**

	2010 R (Actual)	2010 R (Budget)	2010 R (Variance)	2010 (%)
<b>39.1 Operational</b>				
<b>Revenue by source</b>				
Property Rates	16,756,058	16,500,000	256,058	2%
Government Grants and Subsidies - Capital	21,199,783	23,000,000	(1,800,217)	-8%
Government Grants and Subsidies - Operating	60,825,035	69,768,521	(8,943,486)	-13%
Public Contributions and Donations	-	-	-	0%
Actuarial Gains	-	-	-	0%
Fines	7,427,612	7,476,700	(49,088)	-1%
Property Rates - penalties imposed and collection charges	442,517	600,000	(157,483)	-26%
Service Charges	52,397,040	53,802,605	(1,405,565)	-3%
Rental of Facilities and Equipment	720,272	621,325	98,947	16%
Interest Earned - external investments	2,091,119	370,471	1,720,648	464%
Interest Earned - outstanding debtors	646,704	-	646,704	100%
Licences and Permits	624,958	528,550	96,408	18%
Agency Services	430,315	400,000	30,315	8%
Other Revenue	1,106,618	1,299,441	(192,823)	-15%
	164,668,031	174,367,613	(9,699,582)	-6%
<b>Expenditure by nature</b>				
Employee Related Costs	(40,692,623)	(41,843,530)	1,150,907	-3%
Remuneration of Councillors	(3,281,879)	(3,412,232)	130,353	-4%
Debt Impairment	(263,822)	(5,101,800)	4,837,978	-95%
Collection Cost	(329,264)	(260,000)	(69,264)	27%
Depreciation and Amortisation	(7,715,104)	(10,728,893)	3,013,789	-28%
Impairments	(38,640)	-	(38,640)	100%
Repairs and Maintenance	(10,571,613)	(11,245,174)	673,561	-6%
Unamortised Discount - Inreresst	-	-	-	0%
Actuarial losses	(106,274)	-	(106,274)	100%
Finance Charges	(2,590,552)	(2,029,568)	(560,984)	28%
Bulk Purchases	(20,992,353)	(21,225,000)	232,647	-1%
Contracted services	(2,381,585)	(3,493,686)	1,112,101	-32%
Grants and Subsidies	(49,532)	(50,000)	468	-1%
Operating Grant Expenditure	(41,628,280)	(44,588,403)	2,960,124	-7%
General Expenses	(8,940,340)	(12,513,786)	3,573,446	-29%
	(139,581,860)	(156,492,072)	16,910,212	-11%
<b>Other Gains/Losses</b>				
Loss on Disposal of PPE	-	-	-	0%
Gains on Disposal of PPE	461,628	1,500	460,128	30675%
	461,628	1,500	460,128	30675%
<b>Net Surplus for the year</b>	<b>25,547,799</b>	<b>17,877,041</b>	<b>7,670,758</b>	<b>43%</b>

**Details of material variances**

Budget was compiled according to GFS Vote classification.  
 Government Grants & Subsidies - Grants not received by electricity department.  
 Actuarial losses - Not budgeted for Actuarial losses.  
 Finance Charges - Not budgeted for Post Retirement Finance Charges

	2010 R (Actual)	2010 R (Budget)	2010 R (Variance)	2010 (%)
<b>39.2 Expenditure by Vote</b>				
Admin: Commun Serv	(1,361,794)	(1,301,033)	(60,761)	5%
Admin: Corp Serv	(4,784,010)	(4,284,400)	(499,610)	12%
Admin: Electrical	(22,406,860)	(28,284,121)	5,877,261	-21%
Admin: Engineering Serv	(4,062,654)	(2,613,216)	(1,449,438)	55%
Admin: Fin Serv	(6,991,775)	(7,414,538)	422,763	-6%
Admin: Nelspoort	(249,629)	(217,702)	(31,927)	15%
Admin: Traffic	(5,395,126)	(6,603,309)	1,208,183	-18%
Admin: Water	(2,239,810)	(5,680,971)	3,441,161	-61%
Building Control	(474,406)	(491,866)	17,460	-4%
Cemetries	(274,500)	(313,701)	39,201	-12%
Clinical Services Nieuvelid	-	-	-	0%
Fire Brigade	(499,271)	(614,786)	115,515	-19%
General Expenses	(7,367,778)	(7,323,666)	(44,112)	1%
Housing Office	(22,162,038)	(23,567,237)	1,405,199	-6%
IDP: Co-Ordinator	(649,134)	(894,220)	245,086	-27%
Irrigation Water	(38,487)	(52,522)	14,035	-27%
Kwa-Mand Comm Hall	(60,650)	(51,397)	(9,253)	18%
Kwa-Mand Office	(298,216)	(334,703)	36,487	-11%
Library Church Street	(1,127,648)	(1,075,858)	(51,790)	5%
Library Mimosa	(731,479)	(661,149)	(70,330)	11%
Library Nelspoort	(68,024)	(72,918)	4,894	-7%
Main Road	(62,749)	(52,500)	(10,249)	20%
Mechanical Workshop	(1,246,037)	(1,112,365)	(133,672)	12%
Municipal Buildings	(2,934,396)	(2,610,199)	(324,197)	12%

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

Municipal Manager	(1,486,811)	(1,553,909)	67,098	-4%
Municipal Rates	-	-	-	0%
Parks	-	-	-	0%
Pound	(25,472)	(35,081)	9,609	-27%
Private Work	(167)	(20,000)	19,833	-99%
Recreation Sites	(4,850,080)	(4,634,889)	(215,191)	5%
Refuse Removal	(4,231,396)	(4,267,083)	35,687	-1%
Reticulation: H Volt	(1,615,588)	(1,853,697)	238,109	-13%
Reticulation: L Volt	(22,256,149)	(25,590,568)	3,334,419	-13%
Rustdene Comm Hall	(86,943)	(60,228)	(26,715)	44%
Rustdene Office	(362,431)	(303,833)	(58,598)	19%
S/E 1 Rustdene	-	-	-	0%
S/E 4 Rustdene	(8,368)	(28,360)	19,992	-70%
S/E 8 Rustdene	(34,549)	(47,596)	13,047	-27%
S/E 9 Rustdene	(10,310)	(46,556)	36,246	-78%
Service Connections	(287,430)	(251,289)	(36,141)	14%
Sewerage Farm	(1,835,947)	(1,685,283)	(150,664)	9%
Sewerage System	(1,360,119)	(1,404,856)	44,737	-3%
Stores	(1,320,446)	(800,962)	(519,484)	65%
Street Cleansing	(604,001)	(623,960)	19,959	-3%
Street Lightening	(2,712,605)	(341,537)	(2,371,068)	694%
Street works & Storm Water	(7,491,872)	(11,774,782)	4,282,910	-36%
Swimming Pool Birds	(224,002)	(170,017)	(53,985)	32%
Swimming Pool Nieuveld	(395,942)	(329,322)	(66,620)	20%
Tourism	(131,566)	(160,088)	28,522	-18%
Town Commonage	(126,425)	(101,731)	(24,694)	24%
Traffic Court	(493,228)	(520,371)	27,143	-5%
Traffic Lights	(38,093)	(50,000)	11,907	-24%
Vacuum Services	(168,428)	(167,845)	(583)	0%
Vehicle Registration	(275,178)	(332,916)	57,738	-17%
Vehicle Testing Station	(255,449)	(265,799)	10,350	-4%
Water Purification	(5,068,559)	(3,870,763)	(1,197,796)	31%
Water Reticulation	(3,066,446)	(3,017,699)	(48,747)	2%
Less Inter-Departmental Charges	6,728,611	3,447,325	3,281,286	95%
	<b>(139,581,860)</b>	<b>(156,492,072)</b>	<b>16,910,212</b>	<b>-11%</b>

**Details of material variances**

Budget was compiled according to GFS vote classification and not by Municipal departmental vote classification.  
 Unbundling of assets less to over and under depreciation per department!  
 Internal charges much more than budgeted amount.  
 Post Retirement Finance Charges not budgeted.  
 Bulk purchases on water due to drought.

**39.3 Capital expenditure by vote**

Admin: Commun Serv	(5,450)	(25,000)	19,550	-78%
Admin: Corp Serv	(165,560)	(60,900)	(104,660)	172%
Admin: Electrical	(5,137,827)	(685,200)	(4,452,627)	650%
Admin: Engineering Serv	(2,302,772)	(10,000)	(2,292,772)	22928%
Admin: Fin Serv	(467,555)	(256,010)	(211,545)	83%
Admin: Nelspoort	(12,726)	-	(12,726)	100%
Admin: Traffic	(255,478)	-	(255,478)	100%
Admin: Water	-	-	-	0%
Building Control	(119,480)	(12,000)	(107,480)	896%
Fire Brigade	(29,667)	(30,000)	333	-1%
General Expenses	(53,292)	-	(53,292)	100%
Gymnasium	-	-	-	0%
IDP: Co-Ordinator	-	-	-	0%
Kwa-Mand Comm Hall	-	-	-	0%
Kwa-Mand Office	(14,161)	(17,810)	3,649	-20%
Library Church Street	(79,205)	(65,000)	(14,205)	22%
Library Mimosa	(50,411)	(65,000)	14,589	-22%
Library Nelspoort	-	-	-	0%
Main Road	-	-	-	0%
Mechanical Workshop	-	-	-	0%
Municipal Buildings	(155,777)	(25,000)	(130,777)	523%
Municipal Manager	(19,251)	(7,000)	(12,251)	175%
Recreation Sites	(155,778)	(399,100)	243,322	-61%
Refuse Removal	(1,321,871)	(938,050)	(383,821)	41%
Reticulation High	(300,796)	-	(300,796)	100%
Reticulation Low	(2,549,153)	(19,196,100)	16,646,947	-87%
Rustdene Comm Hall	-	-	-	0%
Rustdene Office	(1,950)	(8,710)	6,760	-78%
Sewerage Farm	(74,045)	-	(74,045)	100%
Sewerage System	(4,733,202)	(4,848,618)	115,416	-2%
Stores	-	-	-	0%
Street Cleansing	(16,954)	(18,210)	1,257	-7%
Street works & Storm Water	(1,836,135)	(5,636,800)	3,800,665	-67%
Swimming pool Bird	(7,674)	(20,000)	12,326	-62%
Swimming pool Nieuveld	(7,674)	(34,100)	26,426	-77%
Town Commonage	-	-	-	0%
Traffic Court	-	-	-	0%
Vehicle Registration	-	-	-	0%
Vehicle Testing Station	-	-	-	0%
Water Purification	(87,014)	(727,500)	640,486	-88%
Water Reticulation	(7,486,279)	(6,092,900)	(1,393,379)	23%
	<b>(27,447,137)</b>	<b>(39,179,008)</b>	<b>11,731,871</b>	<b>-30%</b>

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**Details of material variances**

Budget was compiled according to GFS vote classification and not by Municipal departmental vote classification.  
Unbundling and restructuring of assets

**40 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED**

**40.1 Unauthorised expenditure**

Reconciliation of unauthorised expenditure:

Opening balance	-	-
Unauthorised expenditure current year	17,255,480	58,150,248
Approved by Council or condoned	(17,032,884)	(58,150,248)
Transfer to receivables for recovery	-	-
Unauthorised expenditure awaiting authorisation	<b>222,596</b>	<b>-</b>

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>
<i>Actual vs Budgeted spending</i>	<i>None</i>

**40.2 Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

Opening balance	-	-
Fruitless and wasteful expenditure current year	-	-
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	<b>-</b>	<b>-</b>

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>
<i>None</i>	<i>None</i>

**40.3 Irregular expenditure**

Reconciliation of irregular expenditure:

Opening balance	10,093,428	-
Irregular expenditure current year	33,048,263	10,093,428
Condoned or written off by Council	(42,911,331)	-
Transfer to receivables for recovery - not condoned	-	-
Irregular expenditure awaiting condonement	<b>230,360</b>	<b>10,093,428</b>

<b>Incident</b>	<b>Disciplinary steps/criminal proceedings</b>
<i>Non-compliance with Supply Chain Policy. Tenders not advertised on CIDB website - R32 817 903</i>	<i>None</i>
<i>Nokukhanya Jersey Ngondo from Thango Tours was in the service of state (South African Police Service) - R960</i>	<i>None</i>
<i>Transactions are similar in nature and relates to one service which is the management of the refuse/waste site. R.H Simpson invoices is a splitting of this service. R178 340</i>	<i>None</i>
<i>Fountain Driving School not a specialized service provider. R4 550</i>	<i>None</i>
<i>Karoo Beton Werke not the only available suppliers locally. R46 509</i>	<i>None</i>

**40.4 Material Losses**

**Electricity distribution losses**

Units purchased (Kwh)	55,686,029	57,466,164
- Units lost during distribution (Kwh)	7,274,070	8,972,695
- Percentage lost during distribution	13.06%	15.61%

**Water distribution losses**

- Mega litres purified	1,965,917	2,725,360
- Mega litres lost during distribution	628,340	774,174
- Percentage lost during distribution	31.96%	28.41%

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

41	<b>ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT</b>	<b>2010 R</b>	<b>2009 R</b>
41.1	<b><u>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</u></b>		
	Opening balance	-	28,296
	Council subscriptions	192,410	137,094
	Amount paid - current year	(192,410)	(137,094)
	Amount paid - previous years	-	(28,296)
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
41.2	<b><u>Audit fees - [MFMA 125 (1)(b)]</u></b>		
	Opening balance	-	102,634
	Current year audit fee	1,129,646	961,421
	External Audit - Auditor-General	<b>1,129,646</b>	<b>961,421</b>
	Amount paid - current year	(1,129,646)	(961,421)
	Amount paid - previous year	-	(102,634)
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
41.3	<b><u>VAT - [MFMA 125 (1)(b)]</u></b>		
	VAT	<b>135,918</b>	<b>889,460</b>
	VAT is payable on the payments basis. Only once payment is received from debtors is VAT paid over to SARS.		
41.4	<b><u>PAYE, SDL and UIF - [MFMA 125 (1)(b)]</u></b>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	4,546,075	3,625,396
	Amount paid - current year	(4,546,075)	(3,625,396)
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
41.5	<b><u>Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</u></b>		
	Opening balance	-	-
	Current year payroll deductions and Council Contributions	8,114,471	7,374,160
	Amount paid - current year	(8,114,471)	(7,374,160)
	Amount paid - previous year	-	-
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>
41.6	<b><u>Councillor's arrear consumer accounts - [MFMA 125 (1)(b)]</u></b>		
	The following Councillors had arrear accounts for more than 90 days as at 30 JUNE 2010:		
		<b>2010 R Outstanding more than 90 days</b>	<b>2009 R Outstanding more than 90 days</b>
	HT Prince (010956/010957)	4,948	16,348
	<b>Total Councillor Arrear Consumer Accounts</b>	<b>4,948</b>	<b>16,348</b>
41.7	<b><u>Quotations awarded - Supply Chain Management</u></b>		
	Refer to Supply Chain Management Implementation Report for the year ended 30 June 2010: Appendix G		
41.8	<b><u>Other non-compliance to MFMA</u></b>		
	<b>Supply Chain Management Implementation Report</b>		
	The Supply Chain Management Implementation Report must be submitted to Council within 30 days after the end of the year in accordance with the Supply Chain Management Regulations. The report for 2009/10 was submitted to Council only on 11 August 2010.		
	<b>Section 11(4) - Withdrawals from municipal bank accounts</b>		
	The accounting officer must within 30 days after the end of each quarter submit to Council a report of all withdrawals made in terms of subsection (1)(b) to (j). The said report for the second and last quarter was tabled in Council on 9 February 2010 and 11 August 2010 respectively.		
	<b>Section 52(d) - Report on implementation of the Budget</b>		
	The reports prepared in terms of section 52(d) must, within 30 days of the end of each quarter be submitted to Council. The said report for the second and last quarter was tabled in Council on 9 February 2010 and 11 August 2010 respectively.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

42	<b>CAPITAL COMMITMENTS</b>	<b>2010 R</b>	<b>2009 R</b>
	<b>Commitments in respect of capital expenditure:</b>		
	Approved and contracted for:	12,968,475	8,188,044
	Land & Buildings	-	674,709
	Infrastructure	12,968,475	7,411,031
	Community	-	102,304
	<b>Total</b>	<b>12,968,475</b>	<b>8,188,044</b>
		<b>2010 R</b>	<b>2009 R</b>
	This expenditure will be financed from:		
	External Loans	7,362,839	-
	Government Grants	5,605,636	8,188,044
		<b>12,968,475</b>	<b>8,188,044</b>

43 **FINANCIAL RISK MANAGEMENT**

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

**(a) Foreign Exchange Currency Risk**

The municipality does not engage in foreign currency transactions.

**(b) Price risk**

The municipality is not exposed to price risk.

**(c) Interest Rate Risk**

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

	<b>2010 R</b>	<b>2009 R</b>
The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:		
0.5% (2009 - 0.5%) Increase in interest rates	100,618	(99,952)
0.5% (2009 - 0.5%) Decrease in interest rates	(100,618)	99,952

**(d) Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other debtors are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 17 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms. Also refer to note 17 for balances included in receivables that were re-negotiated for the period under review.

No trade and other receivables are pledged as security for financial liabilities.

Due to the short term nature of trade and other receivables the carrying value disclosed in note 17 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.



**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

43

**FINANCIAL RISK MANAGEMENT (CONTINUE)**

**2010  
R**

**2009  
R**

The provision for bad debts could be allocated between the different classes of debtors as follows:

	<b>2010 %</b>	<b>2010 R</b>	<b>2009 %</b>	<b>2009 R</b>
Electricity	2.33%	162,058	2.46%	235,594
Water	11.96%	831,067	12.97%	1,240,484
Housing Rentals	0.63%	44,065	0.30%	28,585
Refuse	19.61%	1,362,002	10.69%	1,022,058
Sewerage	32.12%	2,231,492	18.11%	1,731,723
Other Consumer Arrears	10.29%	714,925	40.70%	3,892,816
Rates	23.05%	1,601,432	14.77%	1,412,502
	<u>100.00%</u>	<u>6,947,041</u>	<u>100.00%</u>	<u>9,563,761</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables and Other Debtors are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

Financial assets exposed to credit risk at year end are as follows:

Long term receivables	4,116,051	5,114,213
Trade receivables and other receivables	26,768,425	14,898,984
Cash and Cash Equivalents	30,833,366	27,214,326
Unpaid conditional grants and subsidies	388,381	692,639
	<u>62,106,224</u>	<u>47,920,162</u>

**(e) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	<b>Less than 1 year</b>	<b>Between 1 and 5 years</b>	<b>Between 5 and 30 years</b>
<b>2010</b>			
Long Term liabilities	2,615,666	7,965,017	7,764,481
Capital repayments	1,402,614	4,731,476	4,882,137
Interest	1,213,052	3,233,541	2,882,344
Trade and Other Payables	10,853,608	-	-
Unspent conditional government grants and receipts	20,044,073	-	-
	<u>36,129,012</u>	<u>15,930,034</u>	<u>15,528,962</u>
<b>2009</b>			
Long Term liabilities	2,300,694	6,621,014	3,002,559
Capital repayments	1,234,342	4,433,807	2,171,739
Interest	1,066,352	2,187,206	830,819
Trade and Other Payables	9,026,860	-	-
Unspent conditional government grants and receipts	20,015,371	-	-
	<u>31,342,924</u>	<u>6,621,014</u>	<u>3,002,559</u>

BEAUFORT WEST MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

		2010 R	2009 R
44	<b>FINANCIAL INSTRUMENTS</b>		
	In accordance with IAS 39.09 the financial instruments of the municipality are classified as follows:		
	The fair value of financial instruments approximates the amortised costs as reflected below.		
44.1	<b><u>Financial Assets</u></b>	<b><u>Classification</u></b>	
	<b>Long-term Receivables</b>		
	Cripple Care Loans	At amortised cost	14,08115,125
	<b>Consumer Debtors</b>		
	Trade receivables from exchange transactions	At amortised cost	14,689,62512,568,078
	Other receivables from exchange transactions	At amortised cost	9,779,9166,443,293
	Other receivables from non-exchange transactions	At amortised cost	9,245,9255,451,373
	<b>Unpaid Conditional Grants and Receipts</b>		
	Other Spheres of Government	At amortised cost	388,381692,639
	<b>Current Portion of Long-term Receivables</b>		
	Cripple Care Loans	At amortised cost	1,0531,044
	<b>Short-term Investment Deposits</b>		
	Call Deposits	At amortised cost	30,821,19627,202,376
	<b>Bank Balances and Cash</b>		
	Cash Floats and Advances	At amortised cost	12,17011,950
		<b>70,051,435</b>	<b>58,332,517</b>
	<b>SUMMARY OF FINANCIAL ASSETS</b>		
	At amortised cost	<b>70,051,435</b>	<b>58,332,517</b>
44.2	<b><u>Financial Liability</u></b>	<b><u>Classification</u></b>	
	<b>Long-term Liabilities</b>		
	Annuity Loans	At amortised cost	9,613,6136,761,552
	Capitalised Lease Liability	At amortised cost	1,073,942128,907
	<b>Trade Payables</b>		
	Trade creditors	At amortised cost	10,031,5919,026,860
	<b>Unspent Conditional Grants and Receipts</b>		
	Other Spheres of Government	At amortised cost	20,432,45520,708,011
	Public Contributions	At amortised cost	1,315,255407,770
	<b>Bank Balances and Cash</b>		
	Bank Balances	At amortised cost	2,193,8841,468,125
	<b>Current Portion of Long-term Liabilities</b>		
	Annuity Loans	At amortised cost	1,402,6141,229,881
	Capitalised Lease Liability	At amortised cost	801,397711,384
		<b>46,864,750</b>	<b>40,442,489</b>
	<b>SUMMARY OF FINANCIAL LIABILITY</b>		
	At amortised cost	<b>46,864,750</b>	<b>40,442,489</b>

**BEAUFORT WEST MUNICIPALITY**

**NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010**

**45 EVENTS AFTER THE REPORTING DATE**

The municipality has no events after reporting date during the financial year ended 2009/2010.

**46 IN-KIND DONATIONS AND ASSISTANCE**

The municipality did not receive any in-kind donations or assistance during the year under review.

**47 PRIVATE PUBLIC PARTNERSHIPS**

Council has not entered into any private public partnerships during the financial year.

**48 CONTINGENT LIABILITY**

**48.1** The Beaufort West Municipality has a contract with Traffic Environment Services and Technology (Pty) Ltd (TEST) for the supply of a permanent road site combined red with robot/speed cameras and the supply and to operate additional mobile speed cameras. TEST submitted a claim to the amount of R1 071 059.53 inclusive of VAT in which according to TEST was the result of a recalculation of payment received from Beaufort West Municipality in respect of served and non-served summonses. The Beaufort West Municipality appointed Advisory Services to assist the Municipality in assessing the claim submitted by TEST. Ignite Advisory Services, based on their interpretation of the agreement was of the opinion that TEST owes the Beaufort West Municipality more than R3 million in respect of overpayments made by the Beaufort West Municipality to TEST. TEST disputes the last mentioned. Both of the parties to the contract currently seek legal advice for the interpretation of certain clauses and will refer the matter for arbitration as stipulated in the contract.

**48.2** Contingent Liability – SALA Pension Fund

SALA Pension Fund has unilaterally increased the employer contribution rate in respect of pension fund contributions from 18.07% to 20.78% with effect from 1 July 2003. The municipality did not pay the increased contributions based on advice by SALGA that the increase by the SALA Pension Fund was illegal. The SALA Pension Fund has subsequently issued a summons against the municipality claiming the arrear contributions together with interest thereon.

The municipality has instructed its legal representatives to defend the matter and Council's plea was henceforth with filed with the High Court on 13 March 2009. It is uncertain when the case will be heard and the matter finalized. Based on legal advice we are of the opinion that the matter will be successfully defended.

The claim by SALA Pension Fund is estimated at R 1 350 423 as at 30 June 2010.

**48.3** The following guarantees also qualify as contingent liabilities:

**NAME / REG NO - GUARANTEE ISSUED TO**

Maria Aletta van Niekerk/139 - Allied Bank	Not indicated	Not indicated
Daniel Ngondo/141 - Allied Bank	9,800	9,800
M. Gerber (Vlok)/148 - Volkskas Bank	16,000	16,000
Malcolm Edwards Lawrence/213 - ABSA Bank	14,000	14,000
Amos Collin Makendiana/215 - ABSA Bank	15,000	15,000
FNB/147 - Beaufort West Municipality	2,020	2,020
ABSA/227 - Eskom - Supply Electricity connection points at Nelspoort	41,000	41,000
ABSA/237 - BW Municipality - Rehab of Quarry	6,000	6,000
ABSA/ ESKOM	-	34,700
<b>Total</b>	<b>103,820</b>	<b>138,520</b>

**49 CONTINGENT ASSETS**

**BANK / FIRM - PURPOSE - REG NO**

Nedbank/ Farad Engineering - Installation of load control system - 180	59,218	59,218
Standard Bank/Conlog - Supply and installation of water meters	-	-
Nedbank/Transformer and Associated Control Equipment - Supply of 8 MVA 22/11 Kv transformer - 193	772,577	772,577
Nedbank/Westing Corp. Power Economy - Load factor improvement - 146	-	436,300
Nedbank/Spectrum Com Sandard - Upgrading Telematic Phase 4 - 247	-	634,122
Lombard Ins Comp/AGMS - 90 Subsidy linked houses Merweville - 248	210,450	210,450
FNB/ASLA MAGWEBU CIVILS - Nelspoort housing project (216) - 249	-	1,958,322
Standard Bank - Junius/Duncan Construction - 250	628,436	-
FNB - Shoprite - Elec Supply - 88	12,265	-
FNB - Ackermans - Elec Supply - 91	2,080	-
ABSA - Alles Vars - Water & Elec	2,000	-
Nedbank - Supply pumping equipment - 256	182,322	-
FNB - Trucon - Construction stormwater channel - 257	204,685	-
FNB - De Jager Loodgieters - PTIP projects - B/W / Nelspoort / Merweville	49,639	-
Lombard Insurance Group - CSV Construction - Construction water works	922,059	-
FNB - De Jager Loodgieters - Waste Water Treatment	178,626	-
<b>Total</b>	<b>3,224,358</b>	<b>4,070,988</b>

## NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2010

## 50 RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

## 50.1 Related Party Transactions

	Rates - Levied 1 Jul 09 - 30 Jun 10	Service Charges - Levied 1 Jul 09 - 30 Jun 10	Other - Levied 1 Jul 09 - 30 Jun 10	Outstanding Balances 30 June 2010
<b>Year ended 30 JUNE 2010</b>				
<b>Councillors</b>	<b>11,446</b>	<b>74,046</b>	<b>-</b>	<b>6,268</b>
HT Prince	3,317	42,872	-	4,948
PS Botha	2,525	7,326	-	-
A Daniels	-	-	-	-
S Nortje	-	-	-	-
J Jonas	722	751	-	105
A Lyon (014795/014796)	2,954	12,282	-	1,089
A Maans	-	-	-	-
ACR Madumbo	464	1,238	-	126
M Matunzi	772	2,852	-	-
EZ Njadu	390	1,238	-	-
W Toto	304	3,571	-	-
J van Wyk	-	1,914	-	-
AD Willemse	-	-	-	-
<b>Municipal Manager and Section 57 Employees</b>	<b>23,551</b>	<b>45,812</b>	<b>24,651</b>	<b>-</b>
Municipal Manager: J Booysen	2,118	8,926	-	-
Director: D Louw	-	6,402	15,082	-
Director: A Makendiana	6,026	1,996	-	-
Director: R van Staden	8,027	12,310	-	-
Director: JCL Smit	7,381	15,173	-	-
Director: NE Mfundisi	-	1,006	9,568	-

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

## 50.2 Related Party Loans

Since 1 July 2004 loans to councillors and senior management employees are not permitted. Loans granted prior to this date, together with the conditions, are disclosed in note 15 to the Annual Financial Statements.

## 50.3 Compensation of key management personnel

The compensation of key management personnel is set out in note 25 to the Annual Financial Statements.

## 50.4 Other related party transactions

The following purchases were made during the year where Councillors or Management have an interest:

Councillor/Staff Member

Entity

The Mayor (Councillor J. Jonas) is a trustee of the Vuyani Development Trust. The trust leases a piece of land from the municipality at an annual lease payment of R12,00. At 30 June 2010 an amount of R1,15 was outstanding in respect of the lease payments.

Mr. T Prince (a council member of the Beaufort West Municipality) are the president of Beaufort West Soccer Club. The property on which the soccer club is built belongs to the municipality and is leased to the club at an annual amount of R36,000.

Mrs. Maria Matunzi (a council member of the Beaufort West Municipality), is a director in Central Karoo Leather Products, which is a listed supplier on the prospective supplier listing. There were no transactions identified with this supplier during the current year.

## 51 TRANSITIONAL PROVISION TAKEN ACCORDING TO THOSE IN DIRECTIVE 4 - TRANSITIONAL PROVISIONS FOR MEDIUM AND LOW CAPACITY MUNICIPALITIES

## 51.1 GRAP 19 - Provisions, contingent liabilities and contingent Assets

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise provisions, contingent liabilities or contingent assets relating to Refuse tip-sites.

The municipality is currently in a process of identifying all provisions which must be measured in terms of GRAP 19 and it is expected that this process will be completed for inclusion in the 2011 financial statements.

## 51.2 GRAP 100 - Non-current assets and discontinued operations

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise non-current assets held for sale and discontinued operations relating to Inventories, Investment Properties, Property, Plant and Equipment, Agriculture and Intangible Assets which are not recognised in terms of the transitional provisions relating to those standards.

**51.3 GRAP 16 - Investment Properties**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise all the Investment Properties.

The municipality is currently in the process of identifying all Investment Properties and have valued them in terms of GRAP 16 and it is expected that this process will be completed for inclusion in the 2011 financial statements.

**51.4 GRAP 102 - Intangible Assets**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise or measure all the Intangible Assets in accordance with the standard, including the following:

The municipality is currently in the process of identifying all Intangible Assets and have it valued in terms of GRAP 102 and it is expected that this process will be completed for inclusion in the 2011 financial statements. It is possible that certain intangible assets are currently being recognised as Property, Plant and Equipment.

**51.5 GRAP 12 - Inventories**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise the following inventories:

The municipality is currently in the process of identifying all inventory which must be measured in terms of GRAP 12 and it is expected that this process will be completed for inclusion in the 2011 financial statements.

**51.6 GRAP 17 - Property, Plant and Equipment**

The municipality opted to take advantage of the transitional provisions as contained in Directive 4 of the Accounting Standards Board, issued in February 2008. The municipality did not recognise the following Property, Plant & Equipment:

Refer to Note 12

**APPENDIX A - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2010**

<b>EXTERNAL LOANS</b>	<b>Rate</b>	<b>Loan Number</b>	<b>Redeemable</b>	<b>Balance at 30 JUNE 2009</b>	<b>Correction of Error</b>	<b>Balance at 30 JUNE 2009 Restated</b>	<b>Received during the period</b>	<b>Redeemed written off during the period</b>	<b>Balance at 30 JUNE 2010</b>
<b>ANNUITY LOANS</b>									
Sewerage Extension 14 - AA 10/12/4	11.25%	11289/10/1235	2009/12/31	2,738	-	2,738	-	2,738	-
Sewerage Purification Works - AA10/12/16	16.24%	11291/10/1561	20	202,043	-	202,043	-	93,081	108,962
DBSA SANLAM Building - General RB 21.10.03 lt 5.44	10.46%	101257/1	2019/12/31	1,341,908	-	1,341,908	-	75,224	1,266,683
DBSA - Merweville Sewerage Farm	6.75%	103464/2	2024/12/31	-	-	-	557,161	13,785	543,376
DBSA - Electrification Housing Scheme - AA10/12/4	12.00%	9055	2013/09/30	3,479,136	(101,065)	3,378,072	-	605,856	2,772,216
DBSA - Load Control System - RB 12.5.98 lt 2	15.00%	10619	2019/03/31	2,021,815	(68,190)	1,953,626	-	98,825	1,854,801
DBSA - Hansrivier Farm	10.90%	103464/1	2029/12/31	-	-	-	2,280,154	17,977	2,262,177
ABSA - Mercedes Benz Refuse Truck - CZ 4118	14.50%	67801453	5	125,176	-	125,176	-	115,082	10,094
ABSA - Colt LWB - CZ 5307	14.50%	66631368	3	15,816	-	15,816	-	15,816	-
ABSA - Trailer CZ 2854	14.50%	71832908	3	15,384	-	15,384	-	13,080	2,304
ABSA - Multi-Functional Office Machines	14.50%	73129104	3	14,635	-	14,635	-	14,635	-
ABSA - Tractor CZ 2482	14.50%	71831421	3	50,943	-	50,943	-	43,315	7,629
ABSA - Tractor CZ 10625	14.50%	75588777	2012/10/31	98,888	-	98,888	-	26,479	72,410
ABSA - Tata Truck CZ 16014	14.50%	77186994	2013/06/30	147,787	-	147,787	-	32,173	115,614
ABSA - Cherry Picker CZ 15919	14.50%	76879287	2013/06/30	174,332	-	174,332	-	37,631	136,701
ABSA - Cherry Picker CZ 15919	14.50%	76879163	2013/06/30	174,332	-	174,332	-	37,631	136,701
DBSA - Tractor CZ 17798	10.74%	WC 103464.4	2014/06/30	126,500	17,710	144,210	-	23,124	121,086
DBSA - Truck with crane CZ 2954	10.86%	103464/3	2017/06/30	-	-	-	705,426	-	705,426
DBSA - Refuse Truck CZ 3484	10.86%	103464/3	2017/06/30	-	-	-	900,048	-	900,048
<b>Total Annuity Loans</b>				<b>7,991,433</b>	<b>(151,544)</b>	<b>7,839,889</b>	<b>4,442,788</b>	<b>1,266,451</b>	<b>11,016,227</b>

[illegible]

**APPENDIX B - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010**

Cost/Revaluation													Accumulated Depreciation			Carrying Value	
Cost/Revaluation													Opening Balance	Additions	Disposals	Closing Balance	
Cost/Revaluation													Opening Balance	Additions	Disposals	Closing Balance	
Cost/Revaluation													Opening Balance	Additions	Disposals	Closing Balance	
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Cost/Revaluation													Opening Balance	Additions	Disposals	Closing Balance	



**APPENDIX B - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**ANALYSIS OF PROPERTY PLANT AND EQUIPMENT AS AT 30 JUNE 2010**

	Cost										Accumulated Depreciation			Carrying Value
	Opening Balance	Residual Value Opening Balance	Additions	Residual Value Additions	Under Construction	Disposals	Closing Balance	Opening Balance	Additions	Disposals	Closing Balance			
Total brought forward	182,164,051	2,165,266	22,800,536	10,969	-	-	207,140,822	71,634,915	5,230,051	-	76,864,966	130,275,856		
Leased Assets														
Office Equipment (Lease)	99,570	-	165,500	-	-	(28,400)	236,670	58,202	57,949	(28,400)	87,751	148,919		
Vehicles (Lease)	1,983,200	-	1,898,400	-	-	(756,300)	3,125,300	1,264,745	957,733	(756,300)	1,466,178	1,659,122		
	2,082,770	-	2,063,900	-	-	(784,700)	3,361,970	1,322,947	1,015,682	(784,700)	1,553,929	1,808,041		
Other Assets														
Computer hardware	1,830,070	-	306,074	-	-	(181,306)	1,954,839	906,949	288,211	(175,149)	1,000,012	954,827		
Air conditioners	492,853	-	44,898	-	-	-	537,751	100,594	105,526	-	206,120	331,631		
Chairs	255,067	-	25,016	-	-	-	280,083	118,917	31,265	-	150,183	129,900		
Concrete Mixer	22,932	-	-	-	-	-	22,932	11,966	1,867	-	13,833	9,100		
Desks & Tables	297,909	-	35,056	-	-	-	332,965	113,070	38,687	-	151,757	181,208		
Compactors	25,129	-	1,750	-	-	-	26,879	14,382	2,640	-	17,022	9,857		
Compressors	15,735	-	-	-	-	-	15,735	5,036	2,125	-	7,160	8,575		
Tools	485,264	-	136,027	-	-	-	621,291	269,458	62,605	-	332,063	289,229		
Electronic Equipment	435,079	-	103,408	-	-	(1,013)	537,473	175,620	80,636	(933)	255,323	282,151		
Fire Extinguishers	20,588	-	-	-	-	-	20,588	5,804	4,093	-	9,897	10,691		
Lawn Equipment	233,846	-	6,229	-	-	-	240,075	137,847	19,955	-	157,802	82,273		
Trucks/LDV	4,712,957	-	1,689,363	-	-	(40,000)	6,362,320	2,391,425	448,490	(39,925)	2,799,990	3,562,330		
Motor Vehicles	553,497	-	-	-	-	-	553,497	366,411	41,748	-	408,159	145,339		
Office Equipment	424,980	-	34,383	-	-	-	459,363	162,209	70,792	-	233,001	226,362		
Office Furniture	500,722	-	46,952	-	-	-	547,674	216,998	61,309	-	278,307	269,367		
Trailers	444,537	-	-	-	-	-	444,537	200,734	56,887	-	257,621	186,916		
Tracktors	261,828	-	-	-	-	(20,000)	241,828	117,773	17,771	(19,473)	116,071	125,757		
Toolbox	115,192	-	133,416	-	-	-	248,607	15,078	24,219	-	39,297	209,310		
Gym Equipment	58,200	-	3,603	-	-	-	61,803	26,443	7,609	-	34,052	27,751		
Generators	34,199	-	5,707	-	-	-	39,907	17,028	3,825	-	20,853	19,054		
Radio Equipment	308,721	-	-	-	-	-	308,721	145,754	50,371	-	196,125	112,596		
	11,529,304	-	2,571,882	-	-	(242,319)	13,858,868	5,519,496	1,400,630	(235,480)	6,684,646	7,174,223		
Total Property, Plant and Equipment	195,776,126	2,165,266	27,436,318	10,969	-	(1,027,019)	224,361,660	78,477,358	7,646,364	(1,020,180)	85,103,541	139,258,119		
Investment Property														
Buildings	1,776,134	93,481	-	-	-	-	1,869,615	274,876	59,204	-	334,080	1,535,534		
	1,776,134	93,481	-	-	-	-	1,869,615	274,876	59,204	-	334,080	1,535,534		
Intangible Assets														
Computer Software	129,803	6,832	76,208	-	-	-	212,842	129,803	9,536	-	139,338	73,504		
	129,803	6,832	76,208	-	-	-	212,842	129,803	9,536	-	139,338	73,504		
Total	197,682,062.11	2,265,579	27,512,526	10,969	-	(1,027,019)	226,444,117	78,882,036	7,715,104	(1,020,180)	85,576,960	140,867,157		

**APPENDIX C - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT**

		Cost					Accumulated Depreciation			Carrying Value
Opening Balance	Residual Value Opening Bal	Additions	Residual Value Additions	Disposals	Closing Balance	Opening Balance	Additions	Disposals		
478,013	-	5,450	-	-	483,463	161,484	93,489	-	254,972	228,491
577,049	-	165,560	-	-	735,109	224,676	109,001	(7,219)	326,457	408,651
49,041,716	19,866	5,137,827	-	(101,800)	54,097,609	21,338,266	1,066,749	(394,373)	22,303,216	31,794,393
39,860,116	2,274	2,302,772	-	(394,900)	41,770,263	16,527,603	1,611,052	(394,373)	17,744,282	24,025,981
1,208,454	2,552	466,735	819	(246,104)	1,432,457	648,054	196,766	(240,293)	604,527	827,930
427,065	-	12,553	173	-	439,792	132,541	44,282	-	176,823	262,969
1,050,673	1,236	255,478	-	-	1,307,387	561,465	334,063	-	895,528	411,859
10,126	-	-	-	-	10,126	3,904	1,044	-	4,947	5,179
1,041,453	54,813	119,480	-	-	1,215,746	375,272	38,443	-	413,715	802,031
-	-	29,667	-	-	29,667	-	3,304	-	3,304	26,363
39,821	-	53,292	-	-	93,113	5,293	6,974	-	12,267	80,846
58,520	-	-	-	-	58,520	26,626	7,436	-	34,061	24,459
69,780	-	-	-	(28,400)	41,380	50,356	7,486	(28,400)	29,442	11,938
8,302	-	-	-	-	8,302	3,884	1,177	-	5,061	3,241
72,681	311	14,161	-	-	87,153	30,370	12,318	-	42,688	44,465
137,384	-	79,205	-	-	216,589	63,138	33,730	-	96,869	119,720
633,679	25,318	50,411	-	-	709,407	120,898	49,985	-	170,884	538,524
20,803	-	-	-	-	20,803	2,150	2,368	-	4,518	16,285
8,693	-	-	-	-	8,693	1,433	1,433	-	2,866	5,827
10,979	-	-	-	-	10,979	5,259	1,182	-	6,440	4,538
12,897,654	673,561	155,777	-	-	13,726,992	3,323,863	559,705	-	3,792,568	9,934,424
431,893	15,953	19,251	-	-	467,096	368,912	20,043	-	388,956	78,141
14,698,648	768,764	150,825	4,953	-	15,623,191	5,448,931	735,965	-	6,184,896	9,438,295
2,390,282	1,167	1,319,965	1,906	-	3,713,320	273,977	175,328	-	449,306	3,264,014
-	-	300,796	-	-	300,796	-	24,891	-	24,891	275,905
733,220	38,591	2,549,153	-	-	3,320,963	159,014	25,033	-	184,046	3,136,917
10,433	-	-	-	-	10,433	3,415	2,142	-	5,556	4,877
269,894	-	1,950	-	(4,715)	267,129	98,780	58,520	(4,570)	152,730	114,399
148,400	-	74,045	-	-	222,445	79,540	18,525	-	98,065	124,380
21,185,762	-	4,733,202	-	-	25,918,964	7,945,963	473,219	-	8,419,182	17,499,782
4,209,419	-	-	-	(40,000)	4,169,419	2,180,360	454,131	(39,925)	2,594,566	1,574,853
-	-	16,954	-	-	16,954	-	-	-	16,954	-
15,714,586	299,753	1,836,135	-	-	17,850,475	6,818,452	672,463	-	7,490,915	10,359,560
-	-	7,674	-	-	7,674	-	501	-	501	7,173
-	-	7,674	-	-	7,674	-	536	-	536	7,138
7,197	-	-	-	-	7,197	1,052	806	-	1,858	5,339
2,300	-	-	-	-	2,300	305	305	-	611	1,689
28,130	-	-	-	-	28,130	8,341	8,386	-	16,727	11,403
980	-	-	-	-	980	140	140	-	280	700
4,263,750	207,132	87,014	-	(101,800)	4,455,095	199,413	60,462	(101,800)	158,075	4,298,020
24,028,272	53,975	7,483,162	3,117	(101,800)	31,466,727	11,375,229	732,966	(101,800)	12,006,395	19,460,332
195,776,126	2,165,266	27,436,168	10,969	(1,027,019)	224,361,510	78,477,358	7,646,348	(1,020,180)	85,103,526	139,257,985
TOTAL										

**APPENDIX C - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2010**  
**GENERAL FINANCE STATISTICS CLASSIFICATION**

	Cost/Revaluation				Accumulated Depreciation			Carrying Value
	Opening Balance	Residual Value Opening Bal	Additions	Residual Value Additions	Disposals	Closing Balance	Opening Balance	
Executive & Council	1,059,741	15,953	238,103	-	(7,500)	1,306,297	604,139	734,120
Budget & Treasury	6,187,513	2,863	511,928	992	(290,819)	6,412,478	3,090,105	3,571,608
Corporate Services	12,904,851	673,561	155,777	-	-	13,734,188	3,233,915	3,794,426
Planning & Development	39,929,897	2,274	2,422,252	-	(423,300)	41,931,122	16,577,959	17,783,317
Community & Social Services	1,288,614	25,318	120,330	-	-	1,434,261	354,969	896,626
Housing	1,041,453	54,813	-	-	-	1,096,266	375,272	692,145
Public Safety	1,052,973	1,236	285,145	-	-	1,339,354	561,771	439,912
Sport & Recreation	14,757,168	768,764	164,381	4,953	-	15,695,267	5,475,556	9,475,320
Waste Management	2,390,282	1,167	1,336,918	1,906	-	3,730,273	273,977	3,280,968
Waste Water Management	21,334,162	-	4,807,247	-	-	26,141,408	8,025,503	17,624,162
Road Transport	15,752,389	299,753	1,836,135	-	-	17,888,278	6,828,365	10,377,490
Water	28,302,148	261,107	7,570,176	3,117	(203,600)	35,932,948	11,578,546	23,763,531
Electricity	49,774,936	58,456	7,987,776	-	(101,800)	57,719,369	21,497,280	35,207,216
	<b>195,776,126</b>	<b>2,165,266</b>	<b>27,436,168</b>	<b>10,969</b>	<b>(1,027,019)</b>	<b>224,361,510</b>	<b>78,477,358</b>	<b>85,103,526</b>
								<b>139,257,985</b>

**APPENDIX D - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010**  
**MUNICIPAL VOTES CLASSIFICATION**

2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R		2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R
8,611	(977,067)	(968,456)	Admin: Commun Serv	18,237	(1,361,794)	(1,343,558)
-	(3,602,404)	(3,602,404)	Admin: Corp Serv	-	(4,784,010)	(4,784,010)
16,839,222	(11,158,008)	5,681,214	Admin: Electrical	24,630,129	(22,406,860)	2,223,268
85,619	(3,522,407)	(3,436,787)	Admin: Engineering Serv	306,968	(4,062,654)	(3,755,685)
744,838	(5,848,404)	(5,103,566)	Admin: Fin Serv	2,509,539	(6,991,775)	(4,482,236)
4,091	(125,998)	(121,907)	Admin: Nelspoort	368	(249,629)	(249,261)
10,742,869	(6,441,173)	4,301,696	Admin: Traffic	7,584,093	(5,395,126)	2,188,967
642,898	(5,382,318)	(4,739,420)	Admin: Water	158,235	(2,239,810)	(2,081,576)
48,828	(424,241)	(375,414)	Building Control	53,908	(474,406)	(420,498)
154,637	(272,773)	(118,136)	Cemetries	130,964	(274,500)	(143,535)
-	(217,397)	(217,397)	Fire Brigade	17,775	(499,271)	(481,496)
14,723,555	(9,220,513)	5,503,043	General Expenses	15,920,496	(7,367,778)	8,552,718
31,414,846	(31,563,551)	(148,705)	Housing Office	21,414,674	(22,162,038)	(747,364)
224,689	(501,470)	(276,781)	IDP: Co-Ordinator	343,595	(649,134)	(305,539)
9,861	(36,751)	(26,890)	Irrigation Water	9,459	(38,487)	(29,029)
8,112	(60,125)	(52,014)	Kwa-Mand Comm Hall	7,060	(60,650)	(53,590)
-	(266,589)	(266,589)	Kwa-Mand Office	-	(298,216)	(298,216)
187,182	(990,957)	(803,776)	Library Church Street	199,842	(1,127,648)	(927,806)
61,184	(575,600)	(514,417)	Library Mimosa	138,063	(731,479)	(593,416)
210	(55,313)	(55,103)	Library Nelspoort	8,618	(68,024)	(59,406)
-	-	-	Main Road	78,843	(62,749)	16,094
132	(1,073,859)	(1,073,727)	Mechanical Workshop	48	(1,246,037)	(1,245,989)
388,731	(2,744,711)	(2,355,980)	Municipal Buildings	346,260	(2,934,396)	(2,588,136)
-	(1,501,459)	(1,501,459)	Municipal Manager	-	(1,486,811)	(1,486,811)
13,828,291	-	13,828,291	Municipal Rates	16,761,229	-	16,761,229
5,653	(17,264)	(11,611)	Pound	4,870	(25,472)	(20,603)
420	(7,549)	(7,129)	Private Work	538	(167)	372
356,351	(4,401,419)	(4,045,068)	Recreation Sites	341,924	(4,850,080)	(4,508,156)
4,046,813	(3,837,078)	209,735	Refuse Removal	4,636,807	(4,231,396)	405,411
-	(1,644,898)	(1,644,898)	Reticulation: H Volt	-	(1,615,588)	(1,615,588)
26,691,275	(19,513,707)	7,177,568	Reticulation: L Volt	35,092,912	(22,256,149)	12,836,763
17,151	(73,187)	(56,036)	Rustdene Comm Hall	13,440	(86,943)	(73,502)
-	(243,950)	(243,950)	Rustdene Office	-	(362,431)	(362,431)
157,043	-	157,043	S/E 1 Rustdene	246,902	-	246,902
5,412	(5,412)	-	S/E 4 Rustdene	8,368	(8,368)	-
43,670	(43,670)	-	S/E 8 Rustdene	34,549	(34,549)	-
11,671	(11,671)	-	S/E 9 Rustdene	10,310	(10,310)	-
110,685	(356,089)	(245,404)	Service Connections	137,714	(287,430)	(149,717)
60,629	(1,867,758)	(1,807,128)	Sewerage Farm	-	(1,835,947)	(1,835,947)
8,237,795	(963,495)	7,274,300	Sewerage System	14,367,490	(1,360,119)	13,007,372
-	(750,575)	(750,575)	Stores	-	(1,320,446)	(1,320,446)
-	(615,145)	(615,145)	Street Cleansing	-	(604,001)	(604,001)
16,468	(1,456,424)	(1,439,956)	Street Lightening	16,468	(2,712,605)	(2,696,137)
2,319,998	(7,817,193)	(5,497,195)	Street works & Storm Water	3,436,133	(7,491,872)	(4,055,739)
28,757	(250,762)	(222,005)	Swimming Pool Birds	33,167	(224,002)	(190,835)
46,660	(322,257)	(275,598)	Swimming Pool Nieuvelid	38,292	(395,942)	(357,650)
-	(157,722)	(157,722)	Tourism	26,000	(131,566)	(105,567)
26,812	(102,133)	(75,322)	Town Commonage	30,049	(126,425)	(96,376)
-	(344,874)	(344,874)	Traffic Court	-	(493,228)	(493,228)
-	(28,759)	(28,759)	Traffic Lights	-	(38,093)	(38,093)
13,546	(138,369)	(124,823)	Vacuum Services	76,936	(168,428)	(91,492)
442,725	(302,584)	140,142	Vehicle Registration	466,583	(275,178)	191,405
137,742	(168,154)	(30,413)	Vehicle Testing Station	140,500	(255,449)	(114,948)
1,442,757	(3,001,318)	(1,558,561)	Water Purification	5,917,989	(5,068,559)	849,430
9,031,146	(2,899,744)	6,131,401	Water Reticulation	9,413,312	(3,066,446)	6,346,866
143,369,582	(137,906,248)	5,463,334	Sub Total	165,129,659	(146,310,471)	18,819,188
-	(5,548,961)	5,548,961	Less Inter-Departmental Charges	-	6,728,611	6,728,611
143,369,582	(143,455,209)	11,012,295	<b>Total</b>	165,129,659	(139,581,860)	25,547,799

**APPENDIX D - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2010**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

2009 Actual Income R	2009 Actual Expenditure R	2009 Surplus/ (Deficit) R		2010 Actual Income R	2010 Actual Expenditure R	2010 Surplus/ (Deficit) R
14,723,555	(14,482,097)	241,458	Executive & Council	15,946,496	(13,770,165)	2,176,331
14,577,220	(7,235,516)	7,341,704	Budget & Treasury	19,271,137	(9,222,498)	10,048,639
415,542	(2,846,844)	(2,431,302)	Corporate Services	376,309	(3,060,821)	(2,684,512)
359,136	(4,448,119)	(4,088,982)	Planning & Development	704,471	(5,186,193)	(4,481,722)
437,087	(3,005,023)	(2,567,936)	Community & Social Services	516,225	(3,711,038)	(3,194,813)
31,632,641	(31,624,304)	8,338	Housing	21,714,804	(22,215,266)	(500,462)
10,748,522	(7,020,708)	3,727,813	Public Safety	7,606,738	(6,413,097)	1,193,641
431,767	(4,974,438)	(4,542,671)	Sport & Recreation	413,384	(5,470,024)	(5,056,641)
4,060,359	(4,590,592)	(530,233)	Waste Management	4,713,743	(5,003,824)	(290,081)
8,298,424	(2,831,252)	5,467,172	Waste Water Management	14,367,490	(3,196,066)	11,171,425
2,900,597	(9,361,790)	(6,461,193)	Road Transport	4,122,107	(9,331,283)	(5,209,177)
11,126,662	(11,320,131)	(193,469)	Water	15,498,994	(10,413,303)	5,085,692
43,658,069	(34,165,434)	9,492,635	Electricity	59,877,761	(49,316,893)	10,560,868
						-
143,369,582	(137,906,248)	5,463,334	Sub Total	165,129,659	(146,310,471)	18,819,188
-	(5,548,961)	5,548,961	Less Inter-Departmental Charges	-	6,728,611	6,728,611
143,369,582	(143,455,209)	11,012,295	<b>Total</b>	165,129,659	(139,581,860)	25,547,799

**APPENDIX E(1) - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**REVENUE AND EXPENDITURE**  
**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010**  
**MUNICIPAL VOTES CLASSIFICATION**

	2010 Actual (R)	2010 Budget (R)	2010 Variance (R)	2010 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
<b>REVENUE</b>					
Property Rates	16,756,058	16,500,000	256,058	1.55%	
Government Grants and Subsidies	82,024,818	92,768,521	(10,743,703)	-11.58%	Not all grants received as budgeted - Admin Elec
Fines	7,427,612	7,476,700	(49,088)	-0.66%	
Property Rates - Penalties & Collection Charges	442,517	600,000	(157,483)	-26.25%	
Service Charges	52,397,040	53,802,605	(1,405,565)	-2.61%	
Rental of Facilities and Equipment	720,272	621,325	98,947	15.93%	
Interest Earned - External Investments	2,091,119	370,471	1,720,648	464.45%	
Interest Earned - Outstanding Debtors	646,704	-	646,704	0.00%	
Licences and Permits	624,958	528,550	96,408	18.24%	
Agency Services	430,315	400,000	30,315	7.58%	
Other Revenue	1,106,618	1,299,441	(192,823)	-14.84%	
Gains on Disposal of PPE	461,628	1,500	460,128	30675.19%	
<b>Total Revenue</b>	<b>165,129,659</b>	<b>174,369,113</b>	<b>(9,239,454)</b>	<b>-5.30%</b>	
<b>EXPENDITURE</b>					
Admin: Commun Serv	(1,361,794)	(1,301,033)	(60,761)	4.67%	
Admin: Corp Serv	(4,784,010)	(4,284,400)	(499,610)	11.66%	Post Retirement Finance Charges not budgeted.
Admin: Electrical	(22,406,860)	(28,284,121)	5,877,261	-20.78%	
Admin: Engineering Serv	(4,062,654)	(2,613,216)	(1,449,438)	55.47%	Depreciation
Admin: Fin Serv	(6,991,775)	(7,414,538)	422,763	-5.70%	
Admin: Nelspoort	(249,629)	(217,702)	(31,927)	14.67%	Depreciation
Admin: Traffic	(5,395,126)	(6,603,309)	1,208,183	-18.30%	
Admin: Water	(2,239,810)	(5,680,971)	3,441,161	-60.57%	
Building Control	(474,406)	(491,866)	17,460	-3.55%	
Cemeteries	(274,500)	(313,701)	39,201	-12.50%	
Fire Brigade	(499,271)	(614,786)	115,515	-18.79%	
General Expenses	(7,367,778)	(7,323,666)	(44,112)	0.60%	
Housing Office	(22,162,038)	(23,567,237)	1,405,199	-5.96%	
IDP: Co-Ordinator	(649,134)	(894,220)	245,086	-27.41%	
Irrigation Water	(38,487)	(52,522)	14,035	-26.72%	
Kwa-Mand Comm Hall	(60,650)	(51,397)	(9,253)	18.00%	Internal charges
Kwa-Mand Office	(298,216)	(334,703)	36,487	-10.90%	
Library Church Street	(1,127,648)	(1,075,858)	(51,790)	4.81%	
Library Mimosa	(731,479)	(661,149)	(70,330)	10.64%	Depreciation
Library Nelspoort	(68,024)	(72,918)	4,894	-6.71%	
Main Road	(62,749)	(52,500)	(10,249)	19.52%	Repairs & Maintenance
Mechanical Workshop	(1,246,037)	(1,112,365)	(133,672)	12.02%	Contracted Services
Municipal Buildings	(2,934,396)	(2,610,199)	(324,197)	12.42%	Depreciation and Repairs and Maintenance
Municipal Manager	(1,486,811)	(1,553,909)	67,098	-4.32%	
Municipal Rates	-	-	-	0.00%	
Pound	(25,472)	(35,081)	9,609	-27.39%	
Private Work	(167)	(20,000)	19,833	-99.17%	
Recreation Sites	(4,850,080)	(4,634,889)	(215,191)	4.64%	
Refuse Removal	(4,231,396)	(4,267,083)	35,687	-0.84%	
Reticulation: H Volt	(1,615,588)	(1,853,697)	238,109	-12.85%	
Reticulation: L Volt	(22,256,149)	(25,590,568)	3,334,419	-13.03%	
Rustdene Comm Hall	(86,943)	(60,228)	(26,715)	44.36%	Internal charges
Rustdene Office	(362,431)	(303,833)	(58,598)	19.29%	Depreciation
S/E 4 Rustdene	(8,368)	(28,360)	19,992	-70.49%	
S/E 8 Rustdene	(34,549)	(47,596)	13,047	-27.41%	
S/E 9 Rustdene	(10,310)	(46,556)	36,246	-77.85%	
Service Connections	(287,430)	(251,289)	(36,141)	14.38%	Repairs & Maintenance
Sewerage Farm	(1,835,947)	(1,685,283)	(150,664)	8.94%	
Sewerage System	(1,360,119)	(1,404,856)	44,737	-3.18%	
Stores	(1,320,446)	(800,962)	(519,484)	64.86%	Depreciation
Street Cleansing	(604,001)	(623,960)	19,959	-3.20%	
Street Lightening	(2,712,605)	(341,537)	(2,371,068)	694.23%	Internal charges & Depreciation
Street works & Storm Water	(7,491,872)	(11,774,782)	4,282,910	-36.37%	
Swimming Pool Birds	(224,002)	(170,017)	(53,985)	31.75%	Internal charges
Swimming Pool Nieuwveld	(395,942)	(329,322)	(66,620)	20.23%	Internal charges
Tourism	(131,566)	(160,088)	28,522	-17.82%	
Town Commonage	(126,425)	(101,731)	(24,694)	24.27%	Employee Related Cost
Traffic Court	(493,228)	(520,371)	27,143	-5.22%	
Traffic Lights	(38,093)	(50,000)	11,907	-23.81%	
Vacuum Services	(168,428)	(167,845)	(583)	0.35%	
Vehicle Registration	(275,178)	(332,916)	57,738	-17.34%	
Vehicle Testing Station	(255,449)	(265,799)	10,350	-3.89%	
Water Purification	(5,068,559)	(3,870,763)	(1,197,796)	30.94%	Bulk Purchases
Water Reticulation	(3,066,446)	(3,017,699)	(48,747)	1.62%	
Less Inter-Departmental Charges	6,728,611	3,447,325	3,281,286	95.18%	
<b>Total Expenditure</b>	<b>(139,581,860)</b>	<b>(156,492,072)</b>	<b>16,910,212</b>	<b>-10.81%</b>	
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>25,547,799</b>	<b>17,877,041</b>	<b>7,670,758</b>	<b>42.91%</b>	

**APPENDIX E(1) - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**REVENUE AND EXPENDITURE**  
**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

	2010 Actual (R)	2010 Budget (R)	2010 Variance (R)	2010 Variance (%)	Explanation of Significant Variances greater than 10% versus Budget
<b>REVENUE</b>					
Property Rates	16,756,058	16,500,000	256,058	1.55%	
Government Grants and Subsidies	82,024,818	92,768,521	(10,743,703)	-11.58%	Not all grants received as budgeted - Admin Elec
Fines	7,427,612	7,476,700	(49,088)	-0.66%	
Property Rates - Penalties & Collection Charges	442,517	600,000	(157,483)	-26.25%	
Service Charges	52,397,040	53,802,605	(1,405,565)	-2.61%	
Rental of Facilities and Equipment	720,272	621,325	98,947	15.93%	
Interest Earned - External Investments	2,091,119	370,471	1,720,648	464.45%	
Interest Earned - Outstanding Debtors	646,704	-	646,704	0.00%	
Licences and Permits	624,958	528,550	96,408	18.24%	
Agency Services	430,315	400,000	30,315	7.58%	
Other Revenue	1,106,618	1,299,441	(192,823)	-14.84%	
Gains on Disposal of PPE	461,628	1,500	460,128	30675.19%	
<b>Total Revenue</b>	<b>165,129,659</b>	<b>174,369,113</b>	<b>(9,239,454)</b>	<b>-5.30%</b>	
<b>EXPENDITURE</b>					
Executive & Council	(13,770,165)	(13,322,063)	(448,102)	3.36%	
Budget & Treasury	(9,222,498)	(9,071,738)	(150,760)	1.66%	
Corporate Services	(3,060,821)	(2,711,930)	(348,891)	12.87%	Repair & Maintenance and Depreciation
Planning & Development	(5,186,193)	(3,999,302)	(1,186,891)	29.68%	Depreciation
Community & Social Services	(3,711,038)	(3,536,284)	(174,754)	4.94%	
Housing	(22,215,266)	(23,689,749)	1,474,483	-6.22%	
Public Safety	(6,413,097)	(7,773,547)	1,360,450	-17.50%	
Sport & Recreation	(5,470,024)	(5,134,228)	(335,796)	6.54%	
Waste Management	(5,003,824)	(5,058,888)	55,064	-1.09%	
Waste Water Management	(3,196,066)	(3,090,139)	(105,927)	3.43%	
Road Transport	(9,331,283)	(13,538,362)	4,207,079	-31.08%	
Water	(10,413,303)	(12,621,955)	2,208,652	-17.50%	
Electricity	(49,316,893)	(56,391,212)	7,074,319	-12.55%	
Less: Interdepartmental Charges	6,728,611	3,447,325	3,281,286	95.18%	
<b>Total Expenditure</b>	<b>(139,581,860)</b>	<b>(156,492,072)</b>	<b>16,910,212</b>	<b>-10.81%</b>	
<b>SURPLUS / (DEFICIT) FOR THE YEAR</b>	<b>25,547,799</b>	<b>17,877,041</b>	<b>7,670,758</b>	<b>42.91%</b>	

**APPENDIX E (2) - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010**  
**ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**  
**MUNICIPAL VOTES CLASSIFICATION**

	2010 Actual	2010 Total Additions	2010 Budget	2010 Variance	2010 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	%	
Admin: Commun Serv	5,450	5,450	25,000	(19,550)	-78.20%	Unbundling of Assets
Admin: Corp Serv	165,560	165,560	60,900	104,660	171.86%	Unbundling of Assets
Admin: Electrical	5,137,827	5,137,827	685,200	4,452,627	649.83%	Unbundling of Assets
Admin: Engineering Serv	2,302,772	2,302,772	10,000	2,292,772	22927.72%	Unbundling of Assets
Admin: Fin Serv	467,555	467,555	256,010	211,545	82.63%	Unbundling of Assets
Admin: Nelspoort	12,726	12,726	-	12,726	0.00%	Unbundling of Assets
Admin: Traffic	255,478	255,478	-	255,478	0.00%	Unbundling of Assets
Building Control	119,480	119,480	12,000	107,480	895.66%	Unbundling of Assets
Fire Brigade	29,667	29,667	30,000	(333)	-1.11%	
General Expenses	53,292	53,292	-	53,292	0.00%	Unbundling of Assets
Kwa-Mand Office	14,161	14,161	17,810	(3,649)	-20.49%	Unbundling of Assets
Library Church Street	79,205	79,205	65,000	14,205	21.85%	Unbundling of Assets
Library Mimosa	50,411	50,411	65,000	(14,589)	-22.44%	Unbundling of Assets
Municipal Buildings	155,777	155,777	25,000	130,777	523.11%	Unbundling of Assets
Municipal Manager	19,251	19,251	7,000	12,251	175.01%	Unbundling of Assets
Recreation Sites	155,778	155,778	399,100	(243,322)	-60.97%	Unbundling of Assets
Refuse Removal	1,321,871	1,321,871	938,050	383,821	40.92%	Unbundling of Assets
Reticulation High	300,796	300,796	-	300,796	0.00%	Unbundling of Assets
Reticulation Low	2,549,153	2,549,153	19,196,100	(16,646,947)	-86.72%	Unbundling of Assets
Rustdene Office	1,950	1,950	8,710	(6,760)	-77.61%	Unbundling of Assets
Sewerage Farm	74,045	74,045	-	74,045	0.00%	Unbundling of Assets
Sewerage System	4,733,202	4,733,202	4,848,618	(115,416)	-2.38%	
Street Cleansing	16,954	16,954	18,210	(1,257)	-6.90%	Unbundling of Assets
Street works & Storm Water	1,836,135	1,836,135	5,636,800	(3,800,665)	-67.43%	Unbundling of Assets
Swimming pool Bird	7,674	7,674	20,000	(12,326)	-61.63%	Unbundling of Assets
Swimming pool Nieuvelid	7,674	7,674	34,100	(26,426)	-77.50%	Unbundling of Assets
Water Purification	87,014	87,014	727,500	(640,486)	-88.04%	Unbundling of Assets
Water Reticulation	7,486,279	7,486,279	6,092,900	1,393,379	22.87%	Unbundling of Assets
<b>Total</b>	<b>27,447,137</b>	<b>27,447,137</b>	<b>39,179,008</b>	<b>(11,731,871)</b>	<b>-29.94%</b>	



**APPENDIX E (2) - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**ACTUAL VERSUS BUDGET FOR THE YEAR ENDED 30 JUNE 2010**  
**ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT & INTANGIBLE ASSETS**  
**GENERAL FINANCE STATISTIC CLASSIFICATIONS**

	2010	2010	2010	2010	2010	2010	2010	2010	Explanation of Significant Variances greater than 5% versus Budget
	Actual	Total	Budget	Variance	Variance				
	R	Additions R	R	R	R	%			
Executive & Council	238,103	238,103	67,900	170,203	250.67%	Unbundling of Assets			
Budget & Treasury	512,920	512,920	307,530	205,390	66.79%	Unbundling of Assets			
Corporate Services	155,777	155,777	-	155,777	0.00%	Unbundling of Assets			
Planning & Development	2,422,252	2,422,252	22,000	2,400,252	10910.23%	Unbundling of Assets			
Community & Social Services	120,330	120,330	155,000	(34,670)	-22.37%	Unbundling of Assets			
Public Safety	285,145	285,145	30,000	255,145	850.48%	Unbundling of Assets			
Sport & Recreation	169,335	169,335	453,200	(283,865)	-62.64%	Unbundling of Assets			
Waste Management	1,338,824	1,338,824	-	1,338,824	0.00%	Unbundling of Assets			
Waste Water Management	4,807,247	4,807,247	5,804,878	(997,631)	-17.19%	Unbundling of Assets			
Road Transport	1,836,135	1,836,135	5,636,800	(3,800,665)	-67.43%	Unbundling of Assets			
Water	7,573,293	7,573,293	6,820,400	752,893	11.04%	Unbundling of Assets			
Electricity	7,987,776	7,987,776	19,881,300	(11,893,524)	-59.82%	Unbundling of Assets			
<b>Total</b>	<b>27,447,137</b>	<b>27,447,137</b>	<b>39,179,008</b>	<b>(11,731,871)</b>	<b>-29.94%</b>				

**APPENDIX F - Unaudited**  
**BEAUFORT WEST LOCAL MUNICIPALITY**  
**DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 1 JULY 2009	Correction of error	Restated balance 1 JULY 2009	Transfer in	Contributions during the year	Interest on Investments	Other Income	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Transfer out	Balance 30 JUNE 2010
<b>UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS</b>											
	<b>R</b>			<b>R</b>			<b>R</b>			<b>R</b>	
<b>NATIONAL</b>											
Nelspoort Electricity Project	2,235	-	2,235	-	-	-	264	1,971	-	-	(0)
Elec Klawervlei	30,737	-	30,737	-	-	-	-	-	-	-	30,737
MSIP Grant	2,203	-	2,203	-	-	10	-	-	-	-	2,213
Land Rezoning Airport	10,112	-	10,112	-	-	-	10,112	-	-	-	-
MSIG Project Consolidate	32,921	-	32,921	-	-	-	-	-	32,921	-	(0)
Finance Management Restruc.	202,053	-	202,053	-	1,000,000	-	167,615	699,378	107,857	-	227,403
Transformation	28,858	-	28,858	-	-	2,194	-	7,929	-	-	23,123
MSIG 2006/2007	182,258	-	182,258	-	-	-	74,438	59,666	48,154	-	(0)
WSDP	39,098	-	39,098	-	-	-	-	39,098	-	-	-
Skills Training	19,890	-	19,890	-	-	-	-	17,447	-	-	-
Water Master Plan	68,462	-	68,462	-	-	809	-	-	-	-	3,252
Meter, oudit management & maintenance strategy	164,015	-	164,015	-	-	3,821	-	-	-	-	72,284
MSIG 2007/08	106,695	-	106,695	-	-	9,155	-	-	-	-	173,170
Fencing Pig Stables	36,335	-	36,335	-	-	-	48,575	58,121	-	-	(0)
Water Asset Register Survey	178,210	-	178,210	-	-	2,028	-	-	-	-	38,363
Water & Sanitation Survey	17,081	-	17,081	-	-	8,857	-	55,560	-	-	131,507
MSIG 2008/09	599,267	-	599,267	-	-	953	-	599,267	-	-	18,034
Improve Service Delivery	-	-	-	-	735,000	-	-	681,708	53,292	-	(0)
Licence Appl. 2 boreholes Nelspoort & B/West	26,065	-	26,065	-	56,000	-	-	-	-	82,065	-
EIA Nelspoort & B/West	32,582	-	32,582	-	70,000	-	-	-	-	102,582	-
WTW's for Nelspoort & B/West	48,873	-	48,873	-	75,000	-	-	-	-	123,873	-
Fin Model, water tariffs & tech audit	23,203	-	23,203	-	56,000	2,252	-	-	-	-	81,455
Stormwater Masterplan	77,276	-	77,276	-	-	4,314	-	-	-	-	81,590
132/22KV Substation & 20 MVA Transformer	1,086,507	-	1,086,507	4,456,000	-	-	-	-	3,986,343	-	1,556,164
Bulk Water Supply	60,000	-	60,000	-	-	-	-	-	60,000	-	-
Electricification of Central Karoo	7,301,995	-	7,301,995	-	23,286,000	-	-	16,306,752	-	6,256,000	8,025,243
Electricity Nelspoort Dwelling	-	-	-	1,800,000	-	-	-	-	1,666,246	-	133,754

**BEAUFORT WEST LOCAL MUNICIPALITY**

[illegible]

<b>ESKOM</b>	363,082	-	363,082	-	-	26,152	-	332,385	-	56,848
	-	-	-	-	873,208	-	-	-	-	873,208
<b>LOTTERY</b>	110,826	-	110,826	-	-	-	-	99,066	-	11,761
	-	-	-	-	-	-	-	-	-	-
<b>CKDM</b>	6,690	-	6,690	-	-	373	-	-	-	7,063
	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>20,011,024</b>	<b>-</b>	<b>20,011,024</b>	<b>7,594,630</b>	<b>54,945,247</b>	<b>722,880</b>	<b>312,302</b>	<b>36,209,827</b>	<b>18,673,033</b>	<b>20,432,455</b>
<b>UNSPENT CONDITIONAL PUBLIC CONTRIBUTION</b>										
<b>PRIVAAT</b>	38,147	-	38,147	-	-	-	-	-	38,147	-
	-	-	-	-	1,331,140	-	-	1,053,620	-	277,520
Mng Sup Pre-Paid Water meters ASLA	-	-	-	-	12,395	1,673	-	4,958	-	24,676
	15,565	-	15,565	-	349,023	148,086	-	20,766	-	971,160
Beneficiaries Merweville Housing	349,023	-	349,023	-	34,686	2,179	-	-	-	41,899
Existing Houses Nelspoort	5,034	-	5,034	-	321,601	-	-	321,601	-	-
Beneficiaries Nelspoort Housing	-	-	-	-	27,700	-	-	27,700	-	-
Capacity Building Programme	-	-	-	-	-	-	-	-	-	-
Subsidised Marathon	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>407,770</b>	<b>-</b>	<b>407,770</b>	<b>-</b>	<b>2,222,340</b>	<b>151,938</b>	<b>-</b>	<b>1,428,646</b>	<b>38,147</b>	<b>1,315,255</b>
<b>UNPAID CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS</b>										
Supply Highmass Lights	-	-	-	43,784	610,086	17,546	-	-	783,232	(111,816)
	225,167	-	225,167	-	6,680,086	28,449	-	5,448,222	1,705,370	(219,890)
Merweville 90 Dwellings	(220,820)	-	(220,820)	-	164,144	-	-	-	-	(56,676)
Damaged Houses	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>4,347</b>	<b>-</b>	<b>4,347</b>	<b>43,784</b>	<b>7,454,316</b>	<b>45,996</b>	<b>-</b>	<b>5,448,222</b>	<b>2,488,602</b>	<b>(388,381)</b>
<b>Total Receipts</b>										
<b>Total Receipts</b>	<b>20,423,141</b>	<b>-</b>	<b>20,423,141</b>	<b>7,638,414</b>	<b>64,621,902</b>	<b>920,814</b>	<b>312,302</b>	<b>43,086,695</b>	<b>21,199,783</b>	<b>21,359,328</b>

# Appendix G – Beaufort West Municipality – 30 June 2010

## Addendum 2 Q1

BEAUFORT WEST MUNICIPALITY				
DEVIATIONS and MINOR BREACHES in TERMS of COUNCIL'S SUPPLY CHAIN MANAGEMENT POLICY				
1st QUARTER July to September 2009				
Date	Document #	Service Provider	Amount	Reason
15014519	2009/09/23	R 4 104.00	ABRAHAMS KIEWITZ ATTORNEYS	Consulting Service Provider
15013403	2009/08/05	R 7 980.00	CRAWFORDS	
15012852	2009/07/21	R 17 309.04	CRAWFORDS	
15013970	2009/08/27	R 2 280.00	IGNITE ADVISORY SERVICES	
15012812	2009/07/06	R 8 892.00	CVW MEGANIES & ELEKTRIES	
15012822	2009/07/10	R 3 521.15	CVW MEGANIES & ELEKTRIES	
15012819	2009/07/10	R 1 151 681.00	CVW MEGANIES & ELEKTRIES	
15014007	2009/09/04	R 49 913.91	CVW MEGANIES & ELEKTRIES	
11040065	2009/07/07	R 63 870.82	TEST IN LIQUIDATION	Contract with service provider procured before the implementation of the Supply Chain Management Policy
11040899	2009/09/08	R 14 551.36	TEST IN LIQUIDATION	
15012814	2009/07/06	R 10 539.79	TEST IN LIQUIDATION	
15012836	2009/07/15	R 11 402.35	TEST IN LIQUIDATION	
15013308	2009/07/24	R 26 004.02	TEST IN LIQUIDATION	
15013346	2009/07/28	R 122 682.37	TEST IN LIQUIDATION	
15013411	2009/08/06	R 39 901.25	TEST IN LIQUIDATION	
15013556	2009/08/26	R 108 063.11	TEST IN LIQUIDATION	
15014047	2009/09/17	R 52 382.96	TEST IN LIQUIDATION	
15014522	2009/09/23	R 84 156.56	TEST IN LIQUIDATION	
15014556	2009/09/30	R 25 627.21	TEST IN LIQUIDATION	
15013401	2009/08/05	R 55 518.00	UBERTECH	
15012874	2009/07/22	R 8 846.10	WELCOMP COMPUTERS CC	

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15013551	2009/08/25	R	8 846.10	WELCOMP COMPUTERS CC	In terms of the delegated authority of the Municipal Manager on 27 November 2006 that procurement and repairs of hard & software for computers to a maximum amount of R30 000.00, may be procured from council's current contracted suppliers.
11040560	2009/08/14	R	2 599.01	NYALA COMMUNICATIONS(P	
15012876	2009/07/22	R	13 700.00	SM CONSULTANTS	
15013445	2009/08/18	R	4 434.60	MOVING VIOLATION SYSTE	
15013474	2009/08/20	R	34 770.00	STEARS SECURITY	
15013506	2009/08/21	R	2 599.01	NYALA COMMUNICATIONS	
15013526	2009/08/24	R	17 610.00	SM CONSULTANTS	
15014060	2009/09/18	R	19 560.00	SM CONSULTANTS	
15013546	2009/08/25	R	10 998.72	UBERTECH ORD14508	
15014505	2009/09/23	R	46 642.64	UBERTECH ORD15030	
15012870	2009/07/21	R	9 607.72	WELCOMP COMPUTERS cc INV6203A	Locally Distributed Newspaper
15014561	2009/09/30	R	4 586.36	WELCOMP COMPUTERS cc ORD14899	
11040059	2009/07/06	R	14 820.00	CAPE MEDIA CORPORATION	
15014067	2009/09/21	R	5 272.00	DIE BURGER ORD14902	
15013494	2009/08/21	R	13 846.29	DIE COURIER	
15014096	2009/09/22	R	11 395.46	DIE COURIER	
15012849	2009/07/21	R	2 626.56	INDEPENDENT NEWSPAPERS INVa8902	
15013461	2009/08/20	R	5 285.95	INDEPENDENT NEWSPAPERS ORD13012	
15014066	2009/09/21	R	7 908.00	MEDIA 24 ORD13013	
15012886	2009/07/22	R	3 734.33	MEDIA 24 ORD14199	
15013455	2009/08/19	R	68 400.00	TRUCON ORD14419	Not procured in terms of Council's Preferential Procurement Policy due to urgency. Three written quotes received though.
15014094	2009/09/22	R	13 600.00	ENGEN TRUCK STOP B\WES ORD14701	Only service provider supply & deliver diesel in bulk
15013357	2009/07/30	R	2 108.00	24/7 TYRES AND FITMENT ORD14529	Repairs & Maintenance
15014064	2009/09/21	R	21 630.05	B&B SWEISWERKE ORD14782	
15013487	2009/08/21	R	4 762.96	B/WEST AUTO ELECTRICAL ORD14446	

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15012860	2009/07/21	R	4 112.79	B/WEST AUTO ELECTRICAL ORD14501
15012821	2009/07/10	R	9 564.19	BEAUFORT ELECTRIC CC
15012884	2009/07/22	R	8 558.63	BEAUFORT ELECTRIC CC ORD14306
15013304	2009/07/24	R	2 140.92	BW PRESISIE MOTOR ING ORD14332
15013463	2009/08/20	R	11 263.20	BW PRESISIE MOTOR ING ORD14572
15013482	2009/08/21	R	3 283.20	CENTRAL ARMATURE WINDE ORD14362
15012891	2009/07/22	R	2 995.92	CONLOG ORD14346
15013486	2009/08/21	R	9 552.55	CP NEL DELTA INV71081
15014075	2009/09/21	R	9 430.67	CP NEL DELTA ORD14746
15012858	2009/07/21	R	9 218.15	CZ MECHANICAL REPAIRS. ORD14372
15014070	2009/09/21	R	9 078.53	CZ MECHANICAL REPAIRS. ORD14726
15013488	2009/08/21	R	8 546.43	CZ MECHANICAL REPAIRS. ORD14730
15012892	2009/07/22	R	2 957.84	DTM GEORGE.... ORD14260
11040642	2009/08/21	R	38 304.00	ERIDEO ENTERPRISES ORD14597
15013491	2009/08/21	R	5 635.46	F & R PHAKISA OPERATIO ORD14369
15013324	2009/07/27	R	14 903.92	GEORGE LAWNMOWERS & CH ORD14500
15013492	2009/08/21	R	3 619.27	GEORGE LAWNMOWERS & CH ORD14586
15014504	2009/09/23	R	3 738.76	GEORGE LAWNMOWERS & CH ORD14834
15013368	2009/07/31	R	5 885.00	HILBERT ELECTRONICS ORD13405
15014511	2009/09/23	R	4 003.00	HILBERT ELECTRONICS ORD14880
15013326	2009/07/27	R	15 944.04	KAROO MOTORS WERKSWINK ORD14463
15013515	2009/08/24	R	46 200.78	KAROO MOTORS WERKSWINK ORD14498
15014515	2009/09/23	R	31 730.76	KAROO MOTORS WERKSWINK ORD14751
15013327	2009/07/27	R	15 558.90	KRIESS HYDRAULICS INV34280
15013513	2009/08/24	R	21 274.69	KRUIPER SPARES ORD14495
15014512	2009/09/23	R	6 415.46	KRUIPER SPARES ORD14664
15014513	2009/09/23	R	4 319.13	LYNN SCHROEDER (PTY)LT ORD48852
15012878	2009/07/22	R	60 427.13	NEL'S TRUCK & CAR REPA ORD14233

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15012856	2009/07/21	R	2 280.00	PA MOTORS	ORD14534	Single-source supplier
15013338	2009/07/28	R	2 438.76	RAND VIR RAND STOFFEER	ORD14527	
15013334	2009/07/27	R	9 507.60	SOUTHERN CAPE COMPRESS	ORD14316	
15013542	2009/08/25	R	8 364.11	STANMAR MOTORS	ORD14596	
15014564	2009/09/30	R	4 500.00	VERMA EXPLO CC	ORD14608	
15012893	2009/07/22	R	19 836.00	DISTRIBUTION POWER ECO	ORD14077	
15013547	2009/08/25	R	14 580.94	TRANSTECH	ORD14535	
15012898	2009/07/22	R	11 653.88	ELSTER KENT METERING (	ORD14164	
15013490	2009/08/21	R	348 007.86	ELSTER KENT METERING (	ORD14431	
15014095	2009/09/22	R	13 050.77	ELSTER KENT METERING (	ORD14483	Sole service provider for bulk postage franking machine service
15012881	2009/07/22	R	3 904.50	ACTEBIS 268CC	ORD14098	
15014545	2009/09/28	R	10 658.59	COMBINED SYSTEMS		
15013485	2009/08/21	R	2 683.56	COMBINED SYSTEMS	ORD14350	
15012875	2009/07/22	R	254 002.72	SEBATA MUNICIPAL SOLUTIONS		
15013384	2009/08/03	R	2 978.82	QUIDITY CC		
15013448	2009/08/19	R	2 978.82	QUIDITY CC		
15013966	2009/08/27	R	2 978.82	QUIDITY CC		
15014548	2009/09/28	R	2 978.82	QUIDITY CC		Specialised Printing Services
11040207	2009/07/20	R	6 400.00	T M S HASLER		
11040834	2009/09/03	R	6 400.00	T M S HASLER		
15012839	2009/07/15	R	6 400.00	TMS HASLER		
15014062	2009/09/21	R	2 999.22	BOWLES DRUKKERS BK	ORD14549	
15013322	2009/07/27	R	7 837.50	GARDEN ROUTE MARKETING	ORD14349	
15013516	2009/08/24	R	16 530.00	LITHOTECH SALES PE (PT	ORD14427	
15014089	2009/09/22	R	43 338.24	LITHOTECH SALES PE (PT	ORD48501	
15013399	2009/08/05	R	3 510.98	JABEDI MAPPING		Specialised Training Service Provider
15012820	2009/07/10	R	28 000.00	AFRICA COMPETENCY DEVE		



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11040085	2009/07/08	R	18 700.00	BEAUFORT WEST & KAROO	The closest available service provider approximate to the venue
15013353	2009/07/29	R	7 752.00	DIVINE HEIGHTS CONSULT	
15012844	2009/07/20	R	5 643.00	EDEGREE	
11040157	2009/07/14	R	7 581.00	FAST TRACK TRAINING	
15014520	2009/09/23	R	2 280.00	FUTURE LEARNING DURBAN	
15014030	2009/09/14	R	4 446.00	GIS GLOBAL IMAGE (PTY)	
15012901	2009/07/23	R	3 078.00	E DREYER	
15013390	2009/08/04	R	3 368.70	E DREYER	
15013422	2009/08/12	R	4 534.50	GARDEN COURT EASTERN B	
15014013	2009/09/10	R	4 307.25	GARDEN COURT EASTERN B	
15013354	2009/07/29	R	4 307.25	GARDEN COURT EASTERN B	
15014056	2009/09/18	R	4 449.00	PARK INN	
11040435	2009/07/31	R	8 046.00	PROTEA HOTEL TYGER VAL	
15013996	2009/09/03	R	6 705.00	PROTEA HOTEL TYGER VAL	
15013415	2009/08/11	R	4 020.00	PROTEA HOTEL TYGERVALL	
15013499	2009/08/21	R	6 540.00	RAYA HOTELS T/A CAPETO	
15013413	2009/08/07	R	5 106.60	THE LODGE TYGER MANOR	
15013414	2009/08/11	R	2 108.88	MANROTRADE SIXTEEN	

### Addendum 2 Q2

BEAUFORT WEST MUNICIPALITY			
DEVIATIONS and MINOR BREACHES in TERMS of COUNCIL'S SUPPLY CHAIN MANAGEMENT POLICY			
2 <sup>ND</sup> QUARTER October to December 2009			
Date	Amount	Service Provider	Reason

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2009/12/02	BEAUFORT ALARMS	R 5 940.75	Only local security alarm service provider
2009/12/31	BEAUFORT ALARMS	R 13 821.70	
2009/12/18	BEAUFORT ALARMS ORD15920	R 5 227.13	
2009/11/23	BEAUFORT ALARMS ORD15238	R 2 451.00	
2009/10/30	BEAUFORT ALARMS	R 13 557.79	
2009/10/26	BEAUFORT ALARMS ORD15117	R 3 306.00	
2009/11/30	HUBER TECHNOLOGY	R 33 630.00	Specialised sewerage work system. Sole supplier for repairs and maintenance of equipment and spares.
2009/11/18	SPECTRUM	R 162 849.46	
2009/12/09	C&C FITTERS	R 2 405.00	Only available suppliers locally
2009/11/25	C&C FITTERS ORD15520	R 5 590.00	
2009/12/23	KAROO FIRE ORD	R 3 840.50	
2009/10/08	KAROO FIRE ORD	R 2 101.00	
2009/11/20	C FORTUIN ORD15736	R 2 000.00	
2009/11/04	CUBENCO 15(PTY) LTD ORD15506	R 2 565.00	
2009/12/14	W. VAN DER HEEVER	R 17 674.00	
2009/10/26	W. VAN DER HEEVER	R 15 960.00	
2009/11/24	W. VAN DER HEEVER ORD15805	R 3 420.00	
2009/10/08	SP LOODGIETERS EN SWEI ORD15158	R 3 352.97	
2009/12/11	DUNECO/J.JUNIUS	R 8 598.11	Only available supplier with TBL machine in Merweville
2009/12/11	MUNILEX	R 3 200.00	Consulting Service Provider
2009/12/27	CRAWFORDS	R 150 000.00	
2009/12/17	CRAWFORDS	R 6 640.00	
2009/12/11	CRAWFORDS	R 5 472.00	
2009/10/15	CRAWFORDS	R 4 332.00	
2009/12/04	CRAWFORDS	R 2 045.93	
2009/12/15	WAGENAAR ATTORNEYS	R 4 104.00	
2009/11/03	HAYWOOD DE BRUYN ATTORNEYS	R 25 000.00	

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2009/11/30	IGNITE ADVISORY SERVICE	R 19 824.60	Contract with service provider procured before the implementation of the Supply Chain Management Policy
2009/12/14	IGNITE ADVISORY SERVICE	R 14 409.60	
2009/12/10	VAN NIEKERK ATTORNEYS	R 10 715.88	
2009/11/30	VAN NIEKERK ATTORNEYS	R 8 829.29	
2009/12/22	TEST IN LIQUIDATION	R 128 475.63	
2009/11/30	TEST IN LIQUIDATION	R 99 263.33	
2009/10/28	TEST IN LIQUIDATION	R 56 459.78	
2009/10/07	TEST IN LIQUIDATION	R 45 568.72	
2009/10/15	TEST IN LIQUIDATION	R 45 130.22	
2009/12/29	TEST IN LIQUIDATION	R 40 530.62	
2009/11/05	TEST IN LIQUIDATION	R 35 814.31	
2009/11/13	TEST IN LIQUIDATION	R 33 546.83	
2009/12/03	TEST IN LIQUIDATION	R 29 363.00	
2009/10/20	TEST IN LIQUIDATION	R 16 465.70	
2009/10/29	TEST IN LIQUIDATION	R 10 723.72	
2009/12/01	TEST IN LIQUIDATION	R 8 019.43	
2009/12/15	SM CONSULTANTS	R 18 450.00	
2009/11/20	SM CONSULTANTS	R 13 230.00	
2009/10/26	SM CONSULTANTS	R 11 550.00	
2009/11/27	MOVING VIOLATION SYSTEMS	R 5 101.50	
2009/11/30	MOVING VIOLATION SYSTEMS	R 2 428.20	
2009/12/15	MOVING VIOLATION SYSTEMS	R 2 097.60	
2009/12/10	STEARNS SECURITY	R 37 050.00	
2009/10/29	STEARNS SECURITY	R 18 525.00	
2009/10/02	STEARNS SECURITY	R 17 385.00	
2009/11/05	NYALA COMMUNICATIONS	R 2 599.01	
2009/11/30	NYALA COMMUNICATIONS	R 2 599.01	
2009/12/31	NYALA COMMUNICATIONS	R 2 599.01	

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2009/10/21	QUIDITY CC	R 2 978.82	In terms of the delegated authority of the Municipal Manager on 27 November 2006 that procurement and repairs of hard & software for computers to a maximum amount of R30 000.00, may be procured from council's current contracted suppliers.
2009/12/11	QUIDITY CC	R 2 978.82	
2009/10/21	TOTAL COMPUTER SERVICE	R 6 555.00	
2009/11/04	WJ SEDERAS	R 6 782.00	
2009/10/02	WJ SEDERAS	R 3 606.00	
2009/10/12	GEOSS INTERNATIONAL	R 10 134.60	
2009/11/10	GEOSS INTERNATIONAL	R 4 257.90	Locally Distributed Newspaper & Newspaper Distributed in the Western Cape
2009/11/26	UBERTECH	R 45 879.30	
2009/11/30	UBERTECH ORD15767	R 45 873.40	
2009/10/30	UBERTECH ORD14942	R 41 553.00	
2009/12/15	UBERTECH	R 25 707.00	
2009/11/18	UBERTECH	R 7 239.00	
2009/10/02	UBERTECH	R 5 130.00	
2009/11/12	UBERTECH	R 85 329.00	
2009/12/14	WELCOMP COMPUTERS cc	R 17 692.20	
2009/10/30	WELCOMP COMPUTERS cc	R 2 531.11	
2009/12/29	WELCOMP COMPUTERS cc	R 8 846.10	
2009/11/26	WELCOMP COMPUTERS cc	R 8 846.10	
2009/10/23	WELCOMP COMPUTERS cc	R 8 846.10	
2009/10/02	WELCOMP COMPUTERS cc	R 8 846.10	
2009/12/03	DIE BURGER	R 5 711.33	Locally Distributed Newspaper & Newspaper Distributed in the Western Cape
2009/12/10	DIE BURGER	R 8 786.66	
2009/11/17	DIE BURGER ORD15089	R 4 100.44	
2009/10/26	DIE BURGER ORD15038	R 10 554.00	
2009/11/25	DIE COURIER	R 16 066.59	
2009/10/27	DIE COURIER	R 7 750.59	
2009/12/23	DIE COURIER	R 4 461.79	
2009/11/25	DIE COURIER	R 2 823.86	

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2009/10/20	AYANDA MBANGA COMMUNICATIONS		R 17 576.07	Not procured in terms of Council's Preferential Procurement Policy due to urgency. Three written quotes received though.
2009/12/23	AYANDA MBANGA COMMUNICATIONS		R 6 151.62	
2009/10/26	MEDIA 24 ORD14159		R 3 075.33	
2009/11/26	MEDIA 24 ORD15388		R 4 100.44	
2009/12/23	MEDIA 24 ORD15821		R 11 422.66	
2009/12/21	TRICOM AFRICA		R 31 054.74	Only service provider supply & deliver diesel in bulk
2009/12/09	TRIFECTA TRADING T/A COLD BOND		R 101 079.24	
2009/12/09	LUZUKO SECURITY GUARDS ORD15964		R 7 592.00	
2009/10/29	LUZUKO SECURITY GUARDS ORD15244		R 6 800.00	
2009/11/04	LUZUKO SECURITY GUARDS ORD15572		R 6 800.00	
2009/10/02	LUZUKO SECURITY GUARDS ORD15178		R 3 400.00	Repairs & Maintenance of Equipment and Vehicles
2009/11/26	ENGEN TRUCK STOP B\WES ORD15385		R 9 468.70	
2009/12/23	ENGEN TRUCK STOP B\WES ORD15385		R 9 468.70	
2009/10/02	DIESEL SERVICES BEAUFO		R 3 000.00	
2009/12/23	BW PRESISIE MOTOR ING ORD15571		R 43 120.59	
2009/10/26	BW PRESISIE MOTOR ING ORD15166		R 40 522.44	Repairs & Maintenance of Equipment and Vehicles
2009/11/25	BW PRESISIE MOTOR ING ORD15510		R 16 112.78	
2009/12/23	CZ MECHANICAL REPAIRS. ORD15612		R 6 004.71	
2009/12/23	CP NEL DELTA ORD16031		R 3 277.67	
2009/10/26	CAPE MOWERS ORD15044		R 6 363.71	
2009/10/26	B\WEST AUTO ELECTRICAL ORD15182		R 4 769.27	
2009/12/07	B\WEST AUTO ELECTRICAL ORD15726		R 4 026.10	
2009/12/23	B\WEST AUTO ELECTRICAL ORD15562		R 3 413.29	
2009/10/27	F & R PHAKISA OPERATIO ORD14953		R 25 751.96	
2009/11/26	F & R PHAKISA OPERATIO ORD15324		R 5 260.00	
2009/11/26	FLO SPECIALISED PRODUC ORD15137		R 3 873.72	

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2009/12/23	FLO SPECIALISED PRODUC	ORD14979		R 3 612.38
2009/12/23	GEORGE LAWNMOWERS & CH	ORD15656		R 18 931.83
2009/10/27	GEORGE LAWNMOWERS & CH	ORD15325		R 5 118.65
2009/11/26	HY-JACK CAPE CC	ORD15366		R 3 665.97
2009/12/23	HIGHWAY AUTO & VALET S	ORD16095		R 2 250.00
2009/12/23	KRUIPER SPARES	ORD15745		R 16 531.71
2009/11/26	KRUIPER SPARES	ORD15653		R 10 512.81
2009/10/29	KRUIPER SPARES	ORD15077		R 8 746.60
2009/10/29	KAROO MOTORS WERKSWINK	ORD15265		R 42 702.12
2009/11/26	KAROO MOTORS WERKSWINK	ORD15747		R 36 404.76
2009/12/23	KAROO MOTORS WERKSWINK	ORD15751		R 20 948.64
2009/10/29	KRIESS HYDRAULICS	ORD14983		R 12 163.80
2009/12/23	LILLIE'S SALES & SERVI	ORD15789		R 2 166.00
2009/12/23	MARAIS MOTORS	ORD15803		R 74 955.79
2009/11/26	MARAIS MOTORS	ORD15547		R 24 949.50
2009/10/30	NEL'S TRUCK & CAR REPA	ORD15271		R 21 474.58
2009/12/24	NEL'S TRUCK & CAR REPA	ORD15800		R 7 177.93
2009/12/24	VERMA EXPLO CC	ORD15801		R 29 409.68
2009/11/27	VERMA EXPLO CC	ORD15429		R 16 227.40
2009/12/15	SPRINGBOK PANEELKLOPPE	ORD15607		R 12 820.90
2009/10/30	60C.T MANUFACTURING	ORD15276		R 17 596.55
2009/10/30	SYNTELL	ORD15226		R 9 146.22
2009/10/15	PRESSURE SEALERS SERVICES			R 3 500.00
2009/12/23	ELSTER KENT METERING (	ORD15761		R 53 041.95
2009/12/23	CONTROLLED IRRIGATION	ORD15211		R 25 241.52
2009/10/27	CONTROLLED IRRIGATION	ORD15211		R 18 458.88
2009/11/25	CONTROLLED IRRIGATION	ORD15600		R 6 840.00
2009/10/30	PROCON			R 2 850.00
<b>Maintenance of machine</b>				
<b>Single-source due to manufacturer or current software supplier</b>				

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2009/12/31	PROCON		R 2 850.00	
2009/10/07	T M S HASLER		R 6 400.00	Sole service provider for bulk postage franking machine service
2009/12/01	T M S HASLER		R 6 400.00	
2009/12/15	DANIE'S ENTERPRISES	ORD16027	R 8 265.00	Specialised Printing Services
2009/10/23	DANIE'S ENTERPRISES	INV1A	R 3 950.10	
2009/11/05	DANIE'S ENTERPRISES	IN29/109	R 3 950.10	
2009/12/23	LITHOTECH SALES PE (PT	ORD15594	R 65 037.00	
2009/11/26	FORMS MEDIA INDEPENDEN	ORD15238	R 4 833.60	
2009/10/27	OUTBACK PROMOTIONS	ORD15488	R 22 950.00	
2009/10/26	THE ENGRAVERS	ORD15477	R 3 250.00	
2009/10/27	IDS AFRICA (PTY) LTD	ORD15308	R 3 494.10	
2009/12/09	BEAUFORT WEST & KAROO LEARNING CENTRE		R 10 800.00	
2009/12/02	NATIONAL COMPUTER COLLEGE		R 2 970.00	Specialised Training Service Provider
2009/11/24	SWANS DRIVING SCHOOL		R 4 500.00	
2009/10/20	SWANS DRIVING SCHOOL		R 5 000.00	
2009/10/16	PINE LODGE RESORT		R 2 850.00	The closest available service provider approximate to the venue
2009/10/02	TOWN LODGE		R 9 079.80	
2009/11/13	GARDEN COURT EASTERN B		R 4 534.50	
2009/10/08	GARDEN COURT EASTERN B		R 4 307.25	
2009/11/20	CITY LODGE V & A WATER		R 2 108.35	
2009/11/20	YOUNGS HALFWAY HOUSE	ORD15343	R 5 320.00	
2009/11/06	LEEUEWENHOF GUESTHOUSE		R 2 100.00	
2009/10/30	PROTEA HOTEL TYGER VAL		R 8 684.32	
2009/11/27	PROTEA HOTEL TYGERVALL		R 6 705.00	

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### Addendum 2 Q3

DEVIATIONS APPROVED BY MUNICIPAL MANAGER			
SUPPLIER	AMOUNT	DATE	REASON FOR DEVIATION
ACTEBIS 268 CC	R 2,508.00	29/03/2010	LICENSE TO REMOVE HAZARDOUS WASTE
ALL GEAR ENGINEERING	R 7,923.00	20/01/2010	MANUFACTURER OF GEARS
B&B SWEISWERKE	R 2,257.20	16/02/2010	SOLE LOCAL PROVIDER TO SERVICE-SPARES SEWERAGE SYSTEM
B&B SWEISWERKE	R 2,964.00	12/01/2010	SOLE LOCAL PROVIDER TO REMOVE AND REPLACE BOREHOLE PUMP
B&B SWEISWERKE	R 5,928.00	13/01/2010	
B&B SWEISWERKE	R 5,643.00	23/02/2010	
B&B SWEISWERKE	R 5,643.00	16/02/2010	
BEAUFORT ALARMS	R 2,052.00	15/02/2010	SOLE LOCAL PROVIDER TO RENDER ALARMING SERVICE
BEAUFORT ALARMS	R 2,546.76	01/02/2010	
BEAUFORT ALARMS	R 3,403.13	01/02/2010	
BEAUFORT ELECTRIC	R 8,028.56	04/01/2010	EMERGENCY CASE- ONLY SERVICE PROVIDER TO SUPPLY PUMP AT THAT TIME
BRIGHT IDEAS	R 31,000.00	10/02/2010	TRAINING- SUPERVISOR COURSE
BW PRECISION SPARES	R 3,690.18	29/03/2010	REPAIRS
BW PRECISION SPARES	R 21,219.96	31/03/2010	
CF PRINS	R 4,036.28	17/02/2010	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE
COURIER	R 7,370.90	15/03/2010	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE
COURIER	R 2,701.06	03/02/2010	ADVERTISEMENTS
CZ ELEKTRIS	R 2,736.00	09/03/2010	ONLY AVAILABLE SERVICE PROVIDER AT THAT TIME



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DE JAGERS LOODGIETERS	R	2,200.00	11/03/2010	SOLE LOCAL MANUFACTURER
DRS. THERON&VAN NIEKERK EFFECTIVE HUMAN INTERVENTIONS	R	51,607.50	19/03/2010	ONLY QUALIFIED SERVICE PROVIDER IN SOUTH CAPE TO PROVIDE SERVICE
ELSTER KENT MESTERING	R	6,838.86	04/02/2010	TRAINING-PAVEMENT MAINTENANCE & REHABILITATIONS
	R	10,203.00	29/03/2010	PREPAID METERS
ENGEN TRUCKSTOP	R	9,468.70	16/02/2010	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE
FIRE FIGHTING TRAINING	R	119,999.04	08/03/2010	FIRE FIGHTING TRAINING
GLS CONSULTING	R	51,520.00	22/02/2010	CONSULTING SERVICES
EXCOLINK (Pty) Ltd	R	6 300.00	28/01/2010	VOUCHER NUMBER 16823
CAPE MOWERS	R	37 480.07	11/02/2010	VOUCHER NUMBER 17936
BEAUFORT WEST LUGLEËLING EN VERKOELING	R	3 767.70	16/04/2010	VOUCHER NUMBER 18418
HUBER TECHNOLOGY	R	40,584.00	03/03/2010	SPECIALIZED SERVICE FOR WASTE WATER TREATMENT WORKS
IAN DICKIE	R	2,071.15	15/03/2010	SPARES
IAN DICKIE	R	2,827.20	27/01/2010	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE
IAN DICKIE	R	2,975.40	08/03/2010	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE
JJ DU PLESSIS	R	32,000.00	26/01/2010	EMERGENCY CASE- ONLY SERVICE PROVIDER TO SUPPLY SERVICE AT THAT TIME
KAROO FIRE	R	4,749.00	02/02/2010	SOLE LOCAL PROVIDER TO RENDER SERVICE AND REFILL OF FIRE EXTINGUISHERS
KAROO LUGREELING EN VERKOELING	R	8,820.00	29/03/2010	REPAIR TO MORTUARY FRIDGE MERWEVILLE
KAROO LUGREELING EN VERKOELING	R	2,679.00	15/02/2010	REPAIR TO COMPRESSOR
KAROO LUGREELING EN VERKOELING	R	6,965.97	15/01/2010	REPAIR SERVICE TO AIR CONDITIONER

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KRUIPER SPARES	R 4,896.30	29/03/2010	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE	
MEDIA 24	R 16,074.00	30/03/2010	ADVERTISEMENTS	
MEDIA 24	R 2,820.68	24/03/2010		
MEDIA 24	R 2,820.68	24/03/2010		
MEDIA 24	R 4,701.13	11/02/2010		
MEDIA 24	R 4,701.13	03/02/2010		
MEDIA 24	R 3,525.85	03/02/2010		
MEDIA 24	R 4,701.13	20/01/2010		
MEDIA 24	R 4,701.13	20/01/2010		
METSI CHEM IKAPA	R 4,845.00	15/01/2010	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE	
METSI CHEM IKAPA	R 34,633.20	01/02/2010	EMERGENCY CASE- WATER CRISIS	
PENNY PINCHERS	R 3,088.06	28/01/2009	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE	
PENNY PINCHERS	R 15,102.72	08/03/2010	ONLY TWO SERVICE PROVIDERS TO PROVIDE SERVICE	
SPECTRUM COMMUNICATIONS	R 5,329.50	01/02/2010	SPECIALIZED REPAIR SERVICE OF TELEMETRY SYSTEM	
TRICOM	R 12,595.86	08/04/2010	SPECIALIZED SERVICE	

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DEVIATIONS NOT YET APPROVED BY MUNICIPAL MANAGER					
Voucher #	SUPPLIER	AMOUNT	DATE	REASON FOR DEVIATION	
15016937	DIE COURIER	2010/02/15	R -17,972.97	ADVERTISEMENTS	
15017623	DIE COURIER	2010/03/17	R -16,154.74		
15017584	RADIO GAMKALAND	2010/03/12	R -9,000.00		
15017492	STEAR'S SECURITY	2010/02/25	R -18,525.00	Cash-in-Transit services	
15017847	STEAR'S SECURITY	2010/03/30	R -18,525.00		
15016841	STEAR'S SECURITY	2010/02/01	R -18,525.00		
15017810	IGNITE ADVISORY SERVIC	2010/03/25	R -21,318.00	Consulting Service Provider	
15017830	IGNITE ADVISORY SERVIC	2010/03/29	R -5,358.00		
15016287	IGNITE ADVISORY SERVIC	2010/01/13	R -10,716.00		
15017002	KAROO FINANSIELE ADVIS	2010/02/19	R -2,204.66	Debt collection services	
15016874	VAN NIEKERK PROKUREURS	2010/02/04	R -2,102.81		
11042900	WC VAN DER NEST	2010/02/17	R -2,500.00		
11042911	T M S HASLER RANDBURG	2010/02/18	R -6,400.00	Franking Machine Services	
11043215	T M S HASLER RANDBURG	2010/03/15	R -6,400.00		
19001286	BEAUFORT ALARMS	2010/03/31	R -15,394.78	Only service provider to provide Security Alarm System locally	
19001216	PROCON	2010/02/04	R -2,850.00		
19001248	PROCON	2010/02/26	R -2,850.00		
15017034	UBERTECH	2010/02/22	R -27,759.00	Repairs & Maintenance Computers	
15017820	UBERTECH	2010/03/26	R -27,759.00		
15016837	UBERTECH	2010/02/01	R -27,759.00		
15016349	WELCOMP COMPUTERS CC	2010/01/22	R -8,846.10		
15017033	WELCOMP COMPUTERS CC	2010/02/22	R -8,846.10		
15017676	WELCOMP COMPUTERS CC	2010/03/19	R -8,846.10		
15016817	MOVING VIOLATION SYSTEM	2010/01/27	R -3,009.60	Service provider for distribution of Traffic Summonses	
15017030	MOVING VIOLATION SYSTEM	2010/02/22	R -5,164.20		
15017592	MOVING VIOLATION SYSTEM	2010/03/15	R -6,327.00		
15016324	SM CONSULTANTS	2010/01/20	R -12,600.00		
15016899	SM CONSULTANTS	2010/02/10	R -14,750.00		
15017591	SM CONSULTANTS	2010/03/15	R -19,200.00		

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15017658	SM CONSULTANTS	2010/03/18	R	-4,500.00	
15016862	GEOSS INTERNATIONAL	2010/02/03	R	-19,298.78	Service provider of Application Software
15016286	QUIDITY CC	2010/01/13	R	-2,978.82	
15017593	QUIDITY CC	2010/03/15	R	-2,978.82	
15016977	SPECTRUM	2010/02/18	R	-157,324.56	
15017000	TOTAL COMPUTER SERVICE	2010/02/19	R	-6,555.00	
15017563	SWANS BESTUURSKOOL	2010/03/09	R	-4,500.00	Specialized driving instruction
15017659	SWANS BESTUURSKOOL	2010/03/18	R	-4,500.00	
15016905	PRESSURE SEALERS	2010/02/11	R	-3,850.00	Specialized repairs & Maintenance
15016353	NUS CONSULTING GROUP	2010/01/22	R	-2,464.95	Telephone routing service
15017507	NUS CONSULTING GROUP	2010/02/26	R	-2,077.32	
15016828	TRAFFIC ENVIRONMENT SE	2010/01/29	R	-110,666.48	Traffic Camera enforcement service
15017476	TRAFFIC ENVIRONMENT SE	2010/02/24	R	-113,905.69	
15017510	TRAFFIC ENVIRONMENT SE	2010/02/26	R	-5,356.71	
15017823	TRAFFIC ENVIRONMENT SE	2010/03/26	R	-91,278.20	
15016262	TRAFFIC ENVIRONMENT SE	2010/01/06	R	-18,193.03	
15016870	TRAFFIC ENVIRONMENT SE	2010/02/04	R	-32,871.50	Training services
15016880	TRAFFIC ENVIRONMENT SE	2010/02/05	R	-30,218.35	
15017534	TRAFFIC ENVIRONMENT SE	2010/03/03	R	-35,628.02	
15017808	FIRE FLY	2010/03/25	R	-8,550.00	Web-hosting service provider
19001217	NYALA COM	2010/02/04	R	-2,599.01	
19001249	NYALA COM	2010/02/26	R	-2,599.01	

### Addendum 2 Q4

DEVIATIONS APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)	Emergency	Brits boor kontrakteurs	R 20 862.00	21/04/2010	Emergency case- only service provider to render service at that time
		Civil corp	R 21 090.00	02/06/2010	Provision for continuous water supply to

						newtown & rustdene
Civil corp		R	21 511.80	10/06/2010		Provision for continuous water supply to kwa-mandlenkosi & nieuvelde park Sole provider in western cape to provide services
Northlink college		R	4 300.00	01/04/2010		Sole supplier for water meters and accessories
Elster kent metering		R	4 001.40	11/05/2010		
		R	5 509.40	11/05/2010		
		R	6 828.60	11/05/2010		
Prodiba		R	2 010.13	13/05/2010		Service provider for national department of transport
Spectrum		R	6 053.40	11/05/2010		Specialized services for waste water treatment works
B&b sweiswerke		R	2 052.00	10/06/2010		Sole supplier locally to repair pump
Distribution power economy		R	16 803.60	25/05/2010		Specialized services for service and testing of capacitor
Beaufort alarms		R	3 990.00	14/06/2010		Sole local supplier for installation of alarm system -internal auditor
Beaufort alarms		R	26 915.40	17/06/2010		Sole local supplier for installation of alarm system -electrical deptarment
Karoo drukkery		R	2 203.60	21/06/2010		Sole local supplier for advertisement board
Drs. Theron & van niekerk		R	5 506.00	28/06/2010		Sole qualified supplier in southern cape
Trucon		R	25 764.00	28/06/2010		Sole available local supplier to render bulldozer
Power cable solution		R	5 029.11	28/06/2010		Sole supplier in a radius of 300km from beaufort west
Hazard bonako		R	3 144.10	29/06/2010		Manufacturer and supplier of equipment that was sent for repairs
Sv vervoer		R	2 052.00	30/06/2010		Sole available local supplier to render tar machine.
Bitron maintenance services		R	4 891.74	20/04/2010		Specialised service for programming of pump station
Civil corp		R	13 867.47	21/04/2010		Only two service providers to provide service- various water products

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Engen truckstop	R	18 937.40	22/04/2010	Only two service providers to provide service locally
Luzuko security services	R	7 064.00	08/06/2010	Temporary service provider procured as a matter of urgency in order to protect council interests at flagship.
Digital voice processing	R	59 503.44	09/06/2010	
Cz electrical	R	2 125.53	29/06/2010	Additional cost to previous work done by supplier
Alles vars	R	5 269.65	20/04/2010	Only available service provider locally for transport services of recycling items
	R	4 699.65	09/04/2010	
	R	5 269.65	03/05/2010	
	R	5 092.95	24/06/2010	
	R	5 588.85	21/06/2010	
Beaufort west verspreiders	R	7 695.28	06/05/2010	Only two service providers to provide service locally
Maverick trading 59cc	R	22 011.24	04/05/2010	Only two service providers to provide service
Pienaar bros	R	17 445.59	04/05/2010	Amendment to contract for overalls
Telkom	R	1 500 000.00	20/05/2010	The extension of the telecommunications contract with telkom was deemed to be the most cost effective solution. Estimated value of contract
Transand	R	29 826.87	14/05/2010	Urgency case
Donkin motors	R	8 123.14	04/05/2010	Only supplier to provide service during strike
Greenhouse contractors	R	24 845.50	18/05/2010	Specialized services for repairs of wind damage to hydroponics
Ubertech				A contract was concluded with ubertech for the provision of it services to the municipality. The procurement process was followed through sita, who could not appoint a service provider. Due to the urgency of the service, a 3 year contract was awarded to the service provider.

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		National computer college	R	36 000.00	30/06/2010	
		Pro-active college	R	89 709.00	30/06/2010	
	<b>(d)(i)</b>	Media 24	R	16 074.00	07/04/2010	Advertisements
			R	4 701.13	21/04/2010	
			R	2 820.68	05/05/2010	
			R	2 036.91	23/04/2010	
		Central karoo district mun.	R	15 329.85	04/05/2010	Only supplier in merweville to provide service
<b>(d)(iii)</b>	Any contract with an organ of state, a local authority or a public utility corporation or company	Central karoo district mun.	R	3 013.92	04/05/2010	Only available supplier to provide service
<b>(d)(v)</b>	The appointment of any person to provide professional advice or services, where the value of such appointment is less than r200 000 or any such greater amount as may be legislated from time to time	Bright ideas solutions	R	31 000.00	19/04/2010	Training- supervisor course
			R	15 900.00	21/05/2010	
		Price water house coopers	R	26 874.29	18/05/2010	Consulting services
<b>(d)(vi)</b>	Ad-hoc repairs to plant and equipment where it is not possible to ascertain the nature or extent of the work required in order to call for bids.	Tg electrical	R	3 880.01	09/04/2010	Change of connection-the rewiring was originally done by them
		Karoo motors	R	6 871.92	30/04/2010	Repairs
		Karoo motors	R	3 109.92	30/04/2010	Service and repair of faults
		Karoo motors	R	3 074.58	29/04/2010	Service and gearshift
		Karoo motors	R	2 457.84	30/04/2010	Repair starter
		Tata worcester	R	5 073.40	08/04/2010	Service and repair of faults
		Motolec	R	3 370.62	23/04/2010	Repair of electrical faults
		Springbok paneelkloppers	R	4 229.40	29/04/2010	Repair accident damages
		Cape mowers	R	2 493.75	06/05/2010	Repairs
		Karoo motors	R	7 942.38	20/05/2010	Service and repairs
		Karoo motors	R	2 767.92	20/05/2010	Repairs
		Mullers handelaars	R	2 200.00	11/05/2010	Only supplier in merweville to provide service
		Nel's truck & car repairs	R	5 549.52	06/05/2010	Sole supplier locally to provide service

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	Nel's truck & car repairs	R	34 395.70	19/05/2010	Sole supplier locally to provide service
	Springbok panel beaters	R	5 004.60	03/05/2010	Repairs
	Trentyre	R	2 024.00	20/05/2010	Only two available service providers to provide service locally
	Verma engineering	R	51 715.60	19/05/2010	Sole supplier locally to provide service
	Beaufort west precision motor engineers	R	11 547.06	09/06/2010	Sole supplier locally to provide service
	B&b sweiswerke	R	2 370.00	14/06/2010	Only available supplier
	Hoistec engineering	R	8 461.50	17/06/2010	Safety inspection and load testing of equipment
	Hoistec engineering	R	6 650.00	17/06/2010	Safety inspection and load testing of equipment
	Hoistec engineering	R	6 596.95	17/06/2010	Safety inspection and load testing of equipment
	Hoistec engineering	R	4 884.90	17/06/2010	Safety inspection and load testing of equipment
	Karoo motors	R	7 942.38	20/05/2010	Service and repairs
	Karoo motors	R	3 935.28	15/06/2010	Service and repairs
	Karoo motors	R	4 509.84	15/06/2010	Service and repairs
	Trentyre	R	3 003.15	21/06/2010	Only two service providers locally
	Nel's truck and car repairs	R	8 515.85	22/06/2010	Service and repairs on rotational basis
	Kruiper spares	R	16 217.76	22/06/2010	Only available supplier with parts for grader
	Toyota b-west	R	2 512.59	25/06/2010	Service of vehicle (avanza)- agent

DEVIATIONS NOT YET APPROVED BY MUNICIPAL MANAGER					
APPLICABLE PARAGRAPH IN SCM POLICY		SUPPLIERS	AMOUNT	DATE	REASON FOR DEVIATION
(a)		De Jagers Loodgieters	R 9 827.24	18/06/2010	Insurance claims- theft at Rustdene swimmingpool
	EMERGENCY	De Jagers Loodgieters	R 9 827.24	18/06/2010	Insurance claims- theft at Bird street swimmingpool
(b)	Sole Supplier	Abet	R 10 800.00	30/06/2010	Only local available supplier to render service



## Appendix G – Beaufort West Municipality – 30 June 2010

(d)	Any exceptional case where it is impractical or impossible to follow the official procurement processes	The Stellenbosch Hotel		2 750.00	14/05/2010	Closest accommodation approximate to the venue
		Protea Hotel		2 117.25	10/05/2010	
				2 823.00	10/05/2010	
		Stears Security		18 525.00	30/04/2010	Cash-in Transit Services
				19 123.50	31/05/2010	
				19 123.50	29/06/2010	
		Luzuko Security Services	R	7 064.00	06/04/2010	Temporary service provider procured as a matter of urgency in order to protect Council interests at Flagship.
				7 064.00	28/05/2010	
			R	7 064.00	28/06/2010	
		MVS Coastal		4 292.10	12/04/2010	Service provider for distribution of Traffic Summonses
				3 009.60	12/05/2010	
				3 060.90	06/05/2010	
			R	3 534.00	11/06/2010	
		SM Consultants	R	29 700.00	21/04/2010	
				28 200.00	24/05/2010	
			R	15 150.00	22/06/2010	
		Geoss				Sole supplier for specialized services for Geomon software
				2 493.75	14/05/2010	
		Quidity		2 978.82	14/04/2010	Operational software procured prior to inception of Supply Chain Management Policy
				2 978.82	06/05/2010	
				2 978.82	27/05/2010	
			R	3 957.30	25/06/2010	
		Ubertech		5 130.00	23/04/2010	Repairs & maintenance computers
				27 759.00	14/04/2010	
				27 759.00	12/05/2010	
				10 482.30	27/05/2010	
			R	27 759.00	14/06/2010	
		Welcomp Computers		8 846.10	06/05/2010	
				8 846.10	26/05/2010	
			R	8 846.10	25/06/2010	

[illegible]

# **AUDITOR'S REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL LEGISLATURE AND THE COUNCIL ON BEAUFORT WEST MUNICIPALITY**

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Introduction**

1. I have audited the accompanying financial statements of the Beaufort West Municipality, which comprise the statement of financial position as at 30 June 2010, and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory information as set out on pages 134 to 197.

### **Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and in the manner required by the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2009 (Act No. 12 of 2009) (DoRA). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor-General's responsibility**

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996) and section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and *General Notice 1570 of 2009* issued in *Government Gazette 32758 of 27 November 2009*. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

6. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### **Opinion**

7. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Beaufort West Municipality as at 30 June 2010 and its financial performance and its cash flows for the year then ended, in accordance with SA Standards of GRAP and in the manner required by the MFMA and DoRA.

### **Emphasis of matters**

8. I draw attention to the matters below. My opinion is not modified in respect of these matters:

### **Restatement of corresponding figures**

9. As disclosed in note 34 to the financial statements, the corresponding figures for 30 June 2009 have been restated as a result of an error discovered during 2009-10 in the financial statements of the Beaufort West Municipality at, and for the year ended, 30 June 2009.

### **Material losses**

10. As disclosed in note 40.4 to the financial statements, material water losses of 32% or 628 340 mega litres were incurred.

### **Material under spending of the budget**

11. As disclosed in note 39.3 to the financial statements the municipality has materially under spent its capital budget to the value of R11 731 871 (30%).As a consequence, the municipality has not fully achieved the following service delivery objectives:
  - The building of a new substation
  - The building of a bicycle lane and pathways

### **Additional matter**

12. I draw attention to the matter below. My opinion is not modified in respect of this matter:

### **Unaudited supplementary schedules**

13. The supplementary information set out on page 198 to 234 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly do not express an opinion thereon.

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

14. As required by the PAA and in terms of *General Notice 1570 of 2009* issued in *Government*

*Gazette 32758 of 27 November 2009*, I include below my findings on the report on predetermined objectives, compliance with the MFMA, DoRA and Local Government: Municipal Systems Act of South Africa, 2000 (Act No. 32 of 2000) (MSA) and financial management (internal control).

### **Predetermined objectives**

15. Material findings on the report on predetermined objectives, as set out on pages 81 to 120, are reported below:

### **Non-compliance with regulatory requirements**

#### ***Inadequate content of integrated development plan***

16. The key performance indicators set by the municipality did not include any general key performance indicators applicable to the municipality, as prescribed in terms of section 43(1) of the MSA.

#### ***Internal auditing of performance measurements***

17. The internal audit processes and procedures did not include assessments of the functionality of the municipality's performance management system and whether the system complied with the requirements of the MSA.
18. The internal audit processes and procedures did not include assessments of the extent to which the municipality's performance measurements were reliable in measuring the performance of the municipality on key, as well as general performance indicators.
19. The internal auditors of the municipality did not audit the performance measurements on a continuous basis and did not submit quarterly reports on their audits to the municipal manager and the performance audit committee.

### **Usefulness of reported performance information**

The following criteria were used to assess the usefulness of the planned and reported performance:

- Consistency: Has the municipality reported on its performance with regard to its objectives, indicators and targets in its approved integrated development plan, i.e. are the objectives, indicators and targets consistent between planning and reporting documents?
- Relevance: Is there a clear and logical link between the objectives, outcomes, outputs, indicators and performance targets?
- Measurability: Are objectives made measurable by means of indicators and targets? Are indicators well defined and verifiable, and are targets specific, measurable, and time bound?

The following audit findings relate to the above criteria:

#### ***Planned and reported indicators not well defined***

20. For the selected objective, 74% of the planned and reported indicators were not clear, with

an unambiguous definition to allow for data to be collected consistently.

***Incomplete reporting on all predetermined objectives, indicators and targets***

21. The actual achievements with regard to 36% of all tested planned indicators and targets specified in the integrated development plan for the year under review, for the selected objective, were not reported in the annual performance report submitted for audit purposes.

***Changes to planned performance information not approved***

22. The municipality reported on indicators and targets in addition to those as per the approved integrated development plan. Furthermore, these additional indicators and targets were not included in the approved or adjusted budgets or were not approved subsequent to the strategic planning process.

***Reported information not consistent with planned objectives, indicators and targets***

23. The municipality has reported inconsistently on 43% of tested targets as set in the approved integrated development plan.

**Reliability of reported performance information**

The following criteria were used to assess the usefulness of the planned and reported performance:

- Validity: Has the actual reported performance occurred and does it pertain to the entity i.e. can the reported performance information be traced back to the source data or documentation?
- Accuracy: Amounts, numbers and other data relating to reported actual performance has been recorded and reported appropriately.
- Completeness: All actual results and events that should have been recorded have been included in the reported performance information.

The following audit findings relate to the above criteria:

***Reported targets not reliable when compared to source information***

24. For the selected objective, 33% of the reported targets tested were not valid, accurate and complete on the basis of the source information or evidence provided to support the reported targets.

***Reported targets not reliable as inadequate supporting source information was provided***

25. For the selected objective the validity, accuracy and completeness of 53% of the reported targets tested could not be established as sufficient appropriate audit evidence and relevant source documentation could not be provided for audit purposes.

**Compliance with laws and regulations**

**MFMA**

**Expenditure was incurred otherwise than in accordance with section 15 of the MFMA resulting in unauthorised expenditure**

26. Expenditure was not incurred in accordance with the approved budget of the municipality and exceeded the limits of the amounts appropriated for the different votes. As disclosed in note 40.1 to the financial statements, the municipality incurred unauthorised expenditure to the amount of R17 255 480.

**Expenditure was incurred in contravention of or not in accordance with the SCM Regulations**

27. Expenditure was not incurred in accordance with the requirements of the supply chain management regulations of the municipality. As disclosed in note 40.3 to the financial statements, the municipality incurred irregular expenditure to the amount of R33 048 263 largely due to tenders not advertised on the CIDB website.

**INTERNAL CONTROL**

28. I considered internal control relevant to my audit of the financial statements and the report on predetermined objectives as well as compliance with the relevant laws and regulations, but not for the purpose of expressing an opinion on the effectiveness of internal control.
29. The matters reported below are limited to the significant deficiencies regarding the basis for opinion paragraph, the findings on the report on predetermined objectives and the findings on compliance with laws and regulations.

**Leadership**

30. With regard to predetermined objectives (PDO), the accounting officer does not exercise adequate oversight responsibility over reporting to ensure complete and accurate reporting of PDO and over compliance with the relevant laws and regulations. Furthermore, management did not take the necessary actions to mitigate the risk of inconsistency between the reported key performance indicators and those in the service delivery budget implementation plan.
31. Management did not identify and mitigate the risk of unauthorised expenditure, as part of its budget and expenditure management. With regard to irregular expenditure, there was a lack of an effective internal monitoring system to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were being followed and whether the desired objectives were being achieved to limit irregular expenditure.

**Financial and performance management**

32. The report on predetermined objectives was not reviewed for completeness and accuracy by management prior to submission for audit. A key contributing factor in this regard is that the municipality does not have individuals who understand the performance management requirements fully. Key performance indicators were set by a third party, with the inputs from the respective unit directors, that does not have the appropriate knowledge of the criteria that the performance measures should meet.

## Governance

33. The audit of performance management was not identified as a key risk to inform the internal audit plan. The audit committee also did not ensure that the internal audit plan included the audit of performance measurements, as required by the MSA. Consequently, internal audit did not focus on the effectiveness and adequacy of the internal control measures to ensure compliance with laws and regulations related to PDO and did not audit and report on PDO accordingly.

*Auditor-General*

Cape Town

30 November 2010



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*